

# **City of Mustang, Oklahoma**

## **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2024**



**CITY OF MUSTANG, OKLAHOMA**

**ANNUAL  
COMPREHENSIVE  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2024**

**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, 2024

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# ***Introductory Section***

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December 6, 2024

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

The City of Mustang (City) fiscal year 2024 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 Annual Comprehensive Financial Report (ACFR) for the City of Mustang has been prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP). It is presented fairly in all material respects and is supported by a comprehensive framework of internal controls, which will be discussed in more detail later in this letter.

The responsibility for the accuracy, completeness, and fairness of the financial data, including all disclosures, rests with the city's management. For an in-depth narrative on the city's financial activities for the fiscal year ending June 30, 2024, refer to the Management Discussion and Analysis (MD&A) section. This section is located immediately following the Independent Auditor's Report on Financial Statements and Supplementary Information.

This letter of transmittal is intended to accompany the Annual Report, offering insights into the city's general economic condition and acknowledging the contributors to the report. It should be read in conjunction with all other sections of the Annual Report to provide a complete understanding of the city's financial position and performance.

### **Independent Auditor's Report**

Elfrink and Associates, PLLC conducted an audit of the city's financial statements for the fiscal year ending June 30, 2024. The purpose of this independent audit was to provide reasonable assurance that the financial statements are free from material misstatements.

To achieve this, the auditors examined evidence supporting the financial statements' amounts and disclosures on a test basis. They also assessed the accounting principles and significant estimates made by management, and evaluated the overall presentation of the financial statements. This included not only the basic financial statements but also the combining and individual fund statements and schedules.

The independent auditor's report, which is included as the first component of the financial section of the report, concluded that the financial statements are presented fairly in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP). Specifically, the firm issued an unmodified opinion, meaning they believe the financial statements are free of material misstatements and accurately reflect the city's financial position and operations.



## **Grant Awards**

Grant awards that exceed the specified threshold must be audited in accordance with the Single Audit Act of 1996, as amended by the OMB Uniform Guidance. This requirement ensures that federal funds are used appropriately and in compliance with grant agreements. If the city received such grant awards, a separate Single Audit Report would be issued. This report focuses specifically on the financial management and compliance related to federal grants. The Single Audit Report can be found in the Single Audit Section of the financial report, distinct from the general financial statements audit.

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

GAAP requires that management includes a narrative introduction, overview, and analysis to accompany the basic financial statements. This narrative is known as Management's Discussion and Analysis (MD&A). The MD&A provides context and insights into the financial statements, offering a clearer understanding of the city's financial position and performance.

The letter of transmittal, while related, serves a different purpose. It is intended to complement the MD&A and provides additional background information about the city's financial condition and operations. For a complete understanding, readers should review both the MD&A and the letter of transmittal. The City of Mustang's MD&A is located immediately after the independent auditor's report in the financial section of the report.

## **Profile of the Government**

The City of Mustang's history dates back to 1895 when the first United States Post Office was established and named Mustang. The name was likely derived from a nearby creek of the same name, which flowed just north of the town limits. For many years, agriculture was the cornerstone of the community's economy. The area was notably home to the Mustang Fruit and Truck Growers Association, an organization that played a significant role in marketing agricultural products to major cities such as Chicago, Omaha, and St. Louis. This historical emphasis on agriculture highlights the city's early economic foundation and its connection to the broader regional market.

Incorporated on October 16, 1969, the City of Mustang adopted a Council-Manager form of government. In this system, the mayor and a six-member City Council (Council) share equal voting rights. The mayor is elected at large, while the City Council members are elected by the residents of their respective wards. Both the Mayor and Council are responsible for appointing key officials, including the City Manager, who serves as the City's Chief Administrative Officer.

The City Manager manages the city's day-to-day operations, implements policies set by the Council, and oversees the administration of financial resources and operating departments. Additionally, the Mayor and Council appoint the City Attorney, City Auditor, and Municipal Judge.

Geographically, the City of Mustang is situated approximately 15 miles west of downtown Oklahoma City and is part of the Oklahoma City metropolitan statistical area. The region, known as "Frontier Country," lies within the Cross Timbers ecological zone, characterized by its temperate climate. With an elevation of 1,348 feet above sea level, the city experiences an



average annual temperature of 60°F and receives about 34 inches of rainfall each year, allowing it to enjoy all four seasons.

The city provides essential municipal services such as police and fire protection, animal welfare, library, recreation, street maintenance, traffic control, solid waste collection, water and wastewater management. Notably, the city does not own or operate any landfills.

Regarding fiscal policies, Oklahoma State Statutes restrict the city's ability to levy property taxes. Such taxes must be approved by voters and are limited to repaying general obligation debt and court-assessed judgments. To support its operations, the city can levy a sales tax, provided it receives voter approval.

## Services

The City of Mustang includes several entities and authorities in its financial reporting, reflecting its comprehensive financial accountability. This includes:

- Mustang Improvement Authority: A blended component unit of the city that provides essential services such as water, sewer, sanitation, and recycling.
- Mustang Special Projects Authority: Another entity included in the city's financial reporting.
- Mustang Economic Development Authority: Part of the reporting entity.

For financial reporting purposes, the city's scope encompasses all funds, agencies, boards, commissions, and authorities over which the City Council has financial responsibility.

The city also engages in privatization contracts to manage various services, including:

- Wright Water Corporation: Water, sewer, and meter reading services.
- Silver Star Construction: Streets and park maintenance.
- Pafford EMS of Oklahoma Inc: Ambulance services.
- OEMA (Oklahoma Environmental Management Authority): Sanitation and recycling services.

These privatization contracts help the city efficiently deliver essential services to its residents while maintaining financial and operational oversight.

## Economic Outlook

Major economic indicators suggest a slowdown in the economy for 2025. Both markets and policymakers are hopeful that this deceleration in economic activity will lead to a reduction in interest rates. Such a scenario, often referred to as a "golden path," would involve easing financial conditions precisely when the economy is nearing contraction. This would ideally enable inflation to move towards the policy target of 2% without triggering a recession.

The "soft-landing" scenario, where the economy manages to avoid a severe downturn while inflation is controlled, is considered a plausible outcome and serves as the base case in the current economic outlook. This scenario envisions a careful balance where monetary and



financial policies adapt to support continued economic stability and growth even as activity slows.

While the baseline forecast presents a cautiously optimistic view of the U.S. economy, it is important to acknowledge that significant changes can occur over the course of a year. Positive surprises that could significantly improve economic conditions are considered unlikely. Instead, there is a higher probability of encountering adverse developments that could negatively impact the economy.

Several risks could challenge the current forecast:

- Policy Mistakes: Poorly executed economic policies could exacerbate existing issues or create new ones, potentially derailing economic stability.
- Increased Household Debt: An accumulation of additional debt by households could strain financial conditions and consumer spending, affecting overall economic health.
- Global Conflicts: International tensions or conflicts could disrupt global trade and economic stability, impacting domestic markets.
- Supply-Side Inflationary Pressures: Persistent issues in supply chains or rising costs of production could contribute to inflationary pressures, complicating efforts to manage economic growth and stability.

Given these uncertainties, it is prudent to plan for the possibility of a more challenging economic environment than what is projected in the baseline forecast. Preparing for potential economic difficulties can help mitigate the impacts of adverse developments and ensure more resilient economic management. As economic conditions evolve, the dynamics of economic geography will play a significant role in shaping regional development. Falling costs and changing economic factors will continue to drive people and economic activity toward southern and western regions. This shift will be influenced by several key trends:

- Urbanization: Economic flows are increasingly attracted to dense, urban areas that offer rich amenities. Both producers and consumers benefit from proximity to one another, which enhances efficiency and fosters economic activity.
- Opportunities for Metro Areas: State metropolitan areas will likely experience growth and increased opportunities as they become hubs of economic activity. The concentration of businesses, services, and infrastructure in these urban centers will attract more investment and talent.
- Challenges for Rural Economies: Rural areas may face challenges as economic activity continues to concentrate in urban centers. This trend could lead to slower growth or economic difficulties in less densely populated regions, requiring targeted strategies to support rural development and mitigate disparities.

In summary, while urban areas are expected to thrive and attract economic activity due to their density and amenities, rural regions may need to adapt and develop new approaches to remain competitive and support their economic growth.

Several factors position Mustang favorably to navigate a period of economic slowdown:

- Cost of Living and Doing Business: Mustang's cost of living is 14% lower than the national average, making it an attractive location for both residents and businesses.



- Quality of Life: Mustang is increasingly recognized as an excellent place to work, live, and visit. It offers a sparse suburban feel, with a high homeownership rate among residents, and is known for its family-friendly environment.
- Education and Public Services: The city's public schools are highly rated, contributing to its appeal for families. Additionally, low commuting times, convenient access to Will Rogers International Airport, and strong public safety and recreational opportunities enhance Mustang's attractiveness.
- Economic and Residential Appeal: The city's competitive cost structure and quality of life make it a desirable location for both businesses and individuals, positioning it well to weather economic challenges.

## Revenue Outlook

For the fiscal year 2023-24, sales and use tax collections for the City of Mustang increased by \$42k, or 0.28%, reaching a total of \$14.9 million compared to \$14.8 million in the previous fiscal year 2022-23. Despite challenging economic conditions, the combined revenues from sales and use taxes were slightly higher than in prior years. Overall, the growth in sales and use tax revenues reflects a positive trend for the city's financial health, driven by both local community expansion and the increasing importance of online transactions. This increase in revenue is primarily due to:

- Community Growth: The expanding population in Mustang contributed to stable sales and use tax collections.
- Online Sales: Enhanced collection efforts related to online sales also played a significant role in the revenue boost.

## Accountability and Budgetary Controls

The City of Mustang has implemented a comprehensive internal control framework designed to ensure reliable financial reporting in accordance with U.S. GAAP. The framework is crafted to provide reasonable assurance, rather than absolute assurance, that the financial statements are free from material misstatements. This approach balances the cost of controls with their benefits. Key aspects of the city's internal control system include:

- Internal Audits: Conducted by staff, these audits assess the city's financial records, reports, and procedures.
- Inventory Management: Annually review property and equipment inventories.
- Accounting Controls: Oversight of internal controls related to city revenues, including concessionaries, agreements, and contracts.
- Performance Audits: Evaluation of performance and special projects or investigations.
- Single Audit Act Compliance: With receipt of material federal and state financial assistance, the city undergoes additional internal control analysis as required.

The Finance Director and staff play a crucial role in these activities, ensuring the effectiveness of internal controls and compliance with regulations. Regarding budgetary controls:

- Budgetary Legal Requirements: The budget process for all city funds (excluding those of public trust authorities) is governed by 11 O.S. Sections 17-101 through 17-216. As such, the city will comply with all legal deadlines, public hearing and budget content



requirements of the law. The budgets for the public trust authorities are governed by 60 O.S. Section 176.

- Distribution of Proposed Budget to Council (Section 17-205): must be formally presented to City Council 30 days prior to beginning of fiscal year.
- Public Hearing (legal deadline June 15) and adoption of fiscal year budget required at least seven days prior to July 01.
- Budgetary Compliance: The city maintains a system of budgetary controls to comply with the City Charter and the Oklahoma Municipal Budget Act. The legal level of control is by department within each fund, covering expenditure categories such as personal services, materials and supplies, other services, debt service, and capital outlay.
- Encumbrance Management: Expenditures include both cash outlays and encumbrances. Encumbrances not liquidated within 90 days of year-end are closed and re-appropriated for the following fiscal year by the City Council.
- Authorization and Appropriations: The City Manager or their designee may authorize transfers between departments without City Council approval. However, supplemental appropriations require City Council approval and must be filed with the Office of the State Auditor and Inspector.

For public trusts or authorities, while they must prepare an annual budget, there are no additional monitoring requirements beyond those specified. Overall, the city's budgetary and internal control systems are designed to ensure effective financial management and compliance with relevant regulations, supporting the city's financial stability and operational efficiency.

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

In compliance with municipal securities disclosure regulations issued by the Securities and Exchange Commission (SEC), the City of Mustang provides supplemental financial information and operating data to update official statements and ensure ongoing disclosure of material information. EMMA is the central online platform established by the Municipal Securities Rulemaking Board (MSRB) for accessing municipal disclosures. It serves as a comprehensive resource for investors and other stakeholders to review municipal securities information and updates. By adhering to these disclosure requirements, the city ensures transparency and provides investors with timely and relevant financial information. This includes:

- Supplemental Financial Information: Regular updates are provided to reflect the city's financial status and operating data.
- Disclosure Submissions: The City's Annual Report, along with other relevant financial documents, is submitted to the Electronic Municipal Market Access (EMMA) data collection site by December 27th each year.

### **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) began 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 \$900k.

As we look ahead to 2025, the U.S. economy has demonstrated greater resilience than initially anticipated, successfully avoiding a recession thus far. This resilience is partly due to the inherent lag between the Federal Reserve's interest rate hikes and their impact on the broader economy. As a result, 2024 is expected to be a pivotal year for understanding economic trends. By the end of 2024, we should have a clearer picture of the actual economic condition and the key forces that will influence the economy in 2025. This period will provide valuable insights into how well the economy adapts to monetary policy changes and other economic factors, helping to forecast future economic developments more accurately.

- As of June 30, 2024, 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 Lake Estates	Platting	216	216
Hunter's Hill, Ph. 4	Permit Ready	7	35
Hunter's Hill, Ph. 5	Permit Ready	53	68
Hyde Park	Permit Ready	7	34
Magnolia Trace, Ph. 6	Permit Ready	1	34
Mustang Highlands	Permit Ready	17	22
Prairie Hills, Ph. 1	Permit Ready	4	110
Spitler Lake Estates, Ph. 2	Permit Ready	5	58
Spitler Lake Estates, Ph. 3	Permit Ready	38	50
Spitler Lake Estates, Ph. 4	Permit Ready	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 five times that area which includes a population of nearly 90k. Mustang's growth rate over the past 10 years has been 19%. 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 150 new housing starts for FY 2025, and expects at least five or more new subdivisions to develop in this timeframe as well.
- Mustang finished June 2024 with an unemployment rate of 3.4%. The national unemployment rate was 4.2%.
- Mustangs' residents have remained gainfully employed in higher-paying wages found in services/auto/health/education (38%), retail trade (24.8%), finance/insurance/real estate (9.9%), construction (6.2%), agriculture/mining (4.2%), manufacturing (2.8%), wholesale trade (2.2%), government (3.8%), communication/utility (5.9%) and transportation (2.2%) sectors.

As of early summer 2024, several new establishments have opened their doors, bringing fresh dining options, improved healthcare access, and convenient services to our community.

#### New Dining Options:

- Panda Express and Chili's have both opened new locations, offering a variety of tasty dining choices to suit any craving.

#### Retail and Services:

- The Mustang Marketplace addition now features a new strip center, providing more shopping and service options for local residents.

#### Healthcare Expansion:

- Mercy Hospital and Integris Hospital have each launched new clinics, enhancing healthcare accessibility and services in the area.

#### Convenient Car Care:

- Tommy's Express Car Wash opened on State Highway 152, offering a quick and efficient solution for keeping your vehicle in top condition.

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

Financial planning in the City of Mustang involves a collaborative effort among the community, businesses, social and cultural service organizations, schools, and municipal government. This collective engagement is exemplified by the city's proactive approach to supporting both current services and long-term capital investments. Notably, on August 23, 2016, Mustang voters approved a thirteen-year extension of a one-cent sales tax to fund essential capital improvements.

#### Fund Balance and Reserves:

- General Fund: While the City Council has not formally adopted a specific policy for maintaining a minimum fund balance, there is an expressed goal to maintain reserves within the General Fund and the Mustang Improvement Authority (MIA) at a combined total between 10-15% of the annual budget on a budgetary basis. For FY24, the General



Fund had a 19.58% unappropriated cash reserve, and the MIA reflected a 27.43% reserve.

#### Investment Policy:

- The City of Mustang's investment policy aims to balance achieving the highest investment return with ensuring maximum security while meeting the city's daily cash flow needs. The policy also ensures compliance with all state statutes governing the investment of public funds.

Authorized Investments: The investment policy authorizes the following types of investments to align with the city's objectives:

- Authorized Investments include investments such as U.S. Treasury securities, state and municipal bonds, certificates of deposit, and other low-risk financial instruments, though specifics should be provided in the actual policy.)

By maintaining these practices, the City of Mustang ensures both fiscal responsibility and strategic planning to support its financial health and growth.

- 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**

Some significant infrastructure and community improvements were completed:

- Ross Terrace Widening at State Highway 152 - The road paving for N. Ross Terrace was finished in FY24, enhancing the roadway's capacity and functionality.
- Frisco Road -The overlay and driveway work completed, improving both the surface and accessibility of this road.
- Rose Hill Asphalt Overlay – Milling and overlaying new asphalt in the Rose Hill Addition.
- Meadows Park Walking Trail - The walking trail funded 50% by a CDBG grant from the Oklahoma Department of Commerce is now complete. This project included the installation of lights and benches, which will likely enhance the park's usability and appeal.



- Sara Road Widening – Project provided for roadway widening improvement at Sara Road. Improvements included widening from two lanes to four lanes, drainage, sidewalk improvements, and markings.
- SW 89<sup>th</sup> Street Intersection – A significant infrastructure project is underway at the intersection of SH 4 and SW 89<sup>th</sup> Street. Adding a signal light should help improve traffic flow and safety in the area. The signalization was completed in fall 2024.
- Mustang Marketplace – A commercial plat containing 5 lots on 20.47 acres situated east of the Wal-Mart Complex developed areas for retail and restaurants was started. This expansion will provide more shopping and dining options in Mustang, contributing to the local economy and enhancing the commercial landscape.
- Station #2/Emergency Operating Center – Mustang Fire Department opened Station 2. This station will provide Mustang with emergency services on the east side of our community in a more rapid and efficient manner.
- SH-152 Utility Relocation Project – Relocation of water lines, lift station, and sanitary sewer lines along SH-152 in preparation for the ADOT project to improve the section of SH-152 between Clear Springs and Frisco Road.
- Oklahoma Municipal Management Services – The city hosted the OMMS attended by 64 attendees, representing over 32 municipalities throughout the State of Oklahoma.
- Rain Barrell Program – Mustang has partnered with Yukon and Bethany for the 2024 Central Oklahoma Stormwater Alliance (COSWA) Rain Barrell Program to bring stormwater-conserving rain barrels to our community.

## **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 sixth 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 \$10.3k. This program seeks to strengthen municipal governance and reduce claims through education and self-assessment.



GFOA Award - We are proud to announce that the City of Mustang has been awarded the **Certificate of Achievement for Excellence in Financial Reporting** by the Government Finance Officers Association of the United States and Canada (GFOA) for its Annual Comprehensive Financial Report for the fiscal year ending June 30, 2023. This marks the 30th consecutive year that Mustang has received this esteemed recognition. Achieving this award is a testament to the city's commitment to excellence in financial reporting and transparency. Notably, only 12 cities in Oklahoma have earned this distinguished award, high-lighting Mustang's exceptional financial management and reporting practices. The City of Mustang's Annual Comprehensive Financial Report (ACFR) has been recognized by an impartial panel for meeting the high standards of the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. This award signifies the city's commitment to a "spirit of full disclosure," clearly communicating its financial narrative and encouraging users to engage with the report.

The **Certificate of Achievement** is the highest form of recognition in governmental accounting and financial reporting. Receiving this accolade is a notable accomplishment for any government and its management team. This certificate is valid for one year, and we are confident that our current ACFR continues to meet the program's rigorous standards. We have submitted the report to the GFOA for review to determine its eligibility for continued certification.

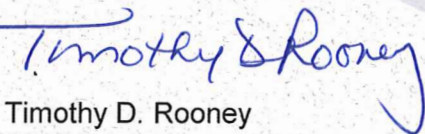
We extend our gratitude to our independent auditor, Elfrink and Associates, PLLC, for their thorough, professional, and timely audit. The preparation of this report reflects the collective efforts of the entire Finance Department and other city departments.

We also wish to thank:

- **The Mayor and City Council:** For their unwavering support and leadership in enhancing the city's fiscal policies.
- **Mustang Public Schools, the Chamber of Commerce, and Canadian County:** For their valuable assistance in gathering statistical information.
- **All City Members:** Who contributed to the preparation of this report.

Their collaboration and dedication have been instrumental in achieving this recognition and supporting the city's financial transparency and accountability.

Respectfully Submitted,



Timothy D. Rooney  
City Manager



Janet Watts  
Finance Director, ACPFA

**CITY OF MUSTANG, OKLAHOMA**  
**LIST OF PRINCIPAL OFFICIALS**  
June 30, 2024

**MAYOR AND CITY COUNCIL**

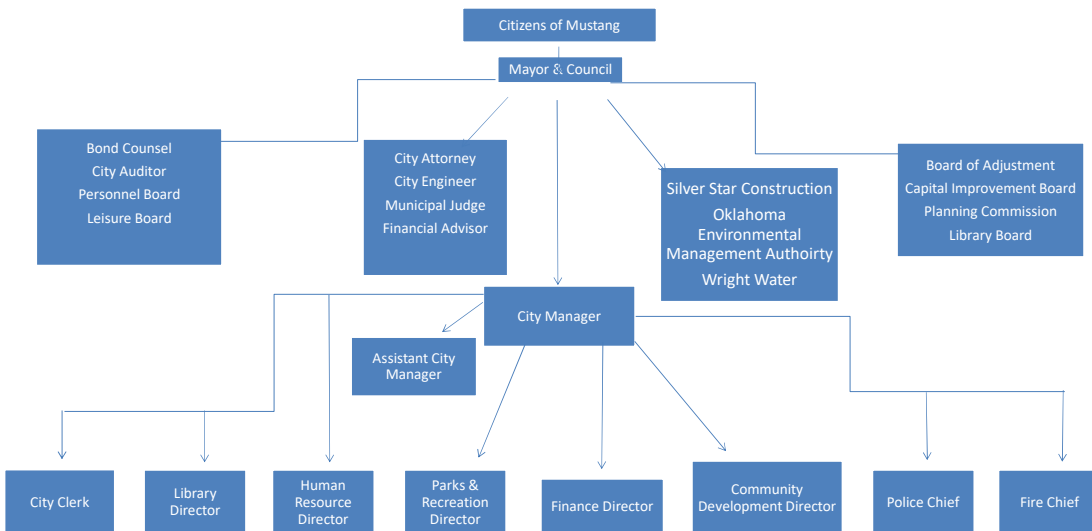
Brian Grider  
Michael Ray  
Joshua Leete  
James Wald  
James Waugh  
Travis McKenzie  
Nathan Sholund

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  
Jessica Hunt  
Julie Slupe  
Nic Bailey  
Janet Watts  
Melissa Helsel  
Mike Wallace  
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

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Presented to

**City of Mustang  
Oklahoma**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## ***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, 2024, 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 units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2024, 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.

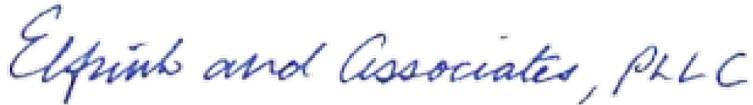
### **Other Information**

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 6, 2024 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 6, 2024



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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, 2024. 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 \$8,792,122 or 10.18% from the prior year. This is primarily due to capital grants and contributions of \$3,615,200 and an increase in investment income.
- The city's governmental activities net position increased by \$2,272,969 or 3.82% due to the capital contributions and an increase in investment income.
- Net position of the business-type activities increased by \$6,519,153 or 24.34% due to an increase in capital contributions and internal transfers.

### 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 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 eighteen 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, County ARPA, and Capital Improvement Funds which are considered to major funds. Data from the other thirteen 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.

*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.

*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.

**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.

**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.

## 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, 2024, the City's combined net position increased by \$8.8 million. The following table provides a summary of the city's net position:

**TABLE 1**  
**NET POSITION (In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>		<b>Total % Change</b>
	2024	2023	2024	2023	2024	2023	2023-24
Current and other assets	\$ 32.1	\$ 26.8	\$ 18.0	\$ 16.9	\$ 50.1	\$ 43.7	15%
Capital assets, net	46.5	47.4	38.0	35.7	84.5	83.1	2%
<b>Total assets</b>	<u>78.6</u>	<u>74.2</u>	<u>56.0</u>	<u>52.6</u>	<u>134.6</u>	<u>126.8</u>	6%
Deferred Outflows of Resources	4.7	4.9	2.5	2.6	7.2	7.5	-4%
Long-term debt outstanding	3.2	3.3	24.4	27.6	27.6	30.9	-11%
Other liabilities	16.9	15.2	0.8	0.9	17.7	16.1	10%
<b>Total liabilities</b>	<u>20.1</u>	<u>18.5</u>	<u>25.2</u>	<u>28.5</u>	<u>45.3</u>	<u>47.0</u>	-4%
Deferred Inflows of Resources	1.4	1.1	-	-	1.4	1.1	27%
Net position							
Net investment in capital assets	43.7	44.7	20.0	14.6	63.7	59.3	7%
Restricted	0.6	1.0	0.8	0.8	1.4	1.8	-22%
Unrestricted	17.5	13.8	12.5	11.3	30.0	25.1	20%
<b>Total net position</b>	<u>\$ 61.8</u>	<u>\$ 59.5</u>	<u>\$ 33.3</u>	<u>\$ 26.7</u>	<u>\$ 95.1</u>	<u>\$ 86.2</u>	10%

The above numbers reflect an increase of 3.82% for governmental activities net position and an increase of approximately 24.34% for business-type activities net position. The City's overall financial position increased during fiscal year 2024.

The City's governmental activities net position increased by \$2.3 million. The reason is primarily due to an increase in capital grants and contributions and investment income.

The net position of our business-type activities increased by \$6.5 million. This was primarily due to a decrease in long-term debt outstanding and an increase in capital assets.

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



**TABLE 2**  
**CHANGES IN NET POSITION (In Millions)**

	<u>Governmental Activities</u>		<u>% Inc. (Dec.)</u>	<u>Business-Type Activities</u>		<u>% Inc. (Dec.)</u>	<u>Total</u>		<u>Total % Change</u>
	<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>	<u>2023-24</u>
<b>Revenues</b>									
<b>Program revenue:</b>									
Charges for service	\$ 3.0	\$ 2.6	15%	\$ 10.6	\$ 10.2	4%	\$ 13.6	\$ 12.8	6%
Operating grants and contributions	1.2	1.2	0%	0.2	-	100%	1.4	1.2	17%
Capital grants and contributions	2.4	0.7	243%	1.2	1.0	20%	3.6	1.7	112%
<b>General Revenue:</b>									
Sales and use taxes	17.6	17.2	2%	-	-	-	17.6	17.2	2%
Property taxes	0.3	0.3	0%	-	-	-	0.3	0.3	0%
Other taxes	1.3	1.5	-13%	-	-	-	1.3	1.5	-13%
Other	1.6	0.8	100%	1.6	1.2	33%	3.2	2.0	60%
<b>Total Revenues</b>	<u>27.4</u>	<u>24.3</u>	<u>13%</u>	<u>13.6</u>	<u>12.4</u>	<u>10%</u>	<u>41.0</u>	<u>36.7</u>	<u>12%</u>
<b>Program Expenses:</b>									
Administration	5.3	3.9	36%	-	-	-	5.3	3.9	36%
Culture and recreation	4.3	4.3	0%	-	-	-	4.3	4.3	0%
Community development	0.6	0.6	0%	-	-	-	0.6	0.6	0%
Public safety	9.6	9.4	2%	-	-	-	9.6	9.4	2%
Streets	3.5	3.3	6%	-	-	-	3.5	3.3	6%
Water	-	-	-	4.4	4.4	0%	4.4	4.4	0%
Wastewater	-	-	-	2.3	1.9	21%	2.3	1.9	21%
Sanitation	-	-	-	1.5	1.4	7%	1.5	1.4	7%
Ambulance	-	-	-	0.3	0.3	0%	0.3	0.3	0%
Interest on gov. activities	0.1	0.1	0%	0.3	0.4	-25%	0.4	0.5	-20%
<b>Total Expenses</b>	<u>23.4</u>	<u>21.6</u>	<u>8%</u>	<u>8.8</u>	<u>8.4</u>	<u>5%</u>	<u>32.2</u>	<u>30.0</u>	<u>7%</u>
Increase in net position before transfers	4.0	2.7	48%	4.8	4.0	20%	8.8	6.7	31%
Transfers	(1.7)	2.7	-163%	1.7	(2.7)	-163%	-	-	-
Change in net position	2.3	5.4	-57%	6.5	1.3	400%	8.8	6.7	31%
Net position, beginning	59.5	54.1		26.8	25.4		86.3	79.5	
Net position, ending	<u>61.8</u>	<u>59.5</u>		<u>33.3</u>	<u>26.7</u>		<u>95.1</u>	<u>86.2</u>	

The results of 2024 were shaped largely by the national economy and population growth. Total net position increased by 10.18% or \$8.8 million. Significant changes were related to:

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

- Capital Grants & Contributions: Increased by 243%, with developers constructing capital that is later dedicated to the city. Hunters' Hill, Phase 5 was completed in FY 24.
- Sales & Use Tax Collections: increase by 2%, indicating a stable economy. This includes local sales and use tax from goods purchased within Mustang city limits.
- Other Taxes: Decreased by 13%, attributed to stabilized energy prices affecting franchise taxes.
- Other Revenues: Doubled, driven by rising interest rates, insurance reimbursements, and new opioid settlements.
- Administration Costs: Increased by 36% due to City Attorney contract, a new Project Manager, and changes in the Human Resource Director.
- Public Safety: Increased by 2% with the addition of new police officers July 2023, and one additional police officer January 2024 and a 1% pay raise for all (FOP/IAFF) union members in July 2023.
- Streets: Increased by 6% for maintenance and repairs, including completed sidewalk construction and an emergency light installation at the new Fire Station No. 2.
- Interfund Transfers: Decreased as the General Fund remains self-sustaining.

**Business-type Activities:**

- Water Revenues: Increased due to ongoing drought conditions and high temperatures in Oklahoma. Charges for services rose by 4%, influenced by a consumer price index of 3.2% as of October 1, 2023.
- Operating and Contribution: Interest rates continued to rise in operating and construction loan funds.
- Capital Grants and Contribution: Increased by 20% following ARPA funding received from Canadian County in FY24.
- Sewer Department: Expenses increased by 21%, driven by the ODOT SH152 Sewer Line Relocation project and the completion of Lift Station #4.
- Sanitation Department: Increased by 7% due to a 3.2% consumer price increase reflected in costs from the Oklahoma Environmental Management Authority.

### 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. (Dec.)	Net Revenue (Cost) of Services		% Inc. (Dec.)
	2024	2023		2024	2023	
Administration	\$ 5,318	\$ 3,894	37%	\$ (5,318)	\$ (3,894)	37%
Culture and Recreation	4,344	4,308	1%	(2,634)	(2,710)	-3%
Community Development	617	647	-5%	(365)	(365)	0%
Public safety	9,561	9,411	2%	(7,288)	(7,672)	-5%
Streets and Drainage	3,470	3,270	6%	(1,092)	(2,396)	-54%
Interest on Long-term Debt	86	88	-2%	(86)	(88)	-2%
<b>TOTAL</b>	<b>\$ 23,396</b>	<b>\$ 21,618</b>	<b>8%</b>	<b>\$ (16,783)</b>	<b>\$ (17,125)</b>	<b>-2%</b>

Overall, the city's governmental activities' total costs increased 8% over last year and net costs decreased by 2%. 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 increased 5% 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. (Dec.)	Net Revenue (Cost) of Services		% Inc. (Dec.)
	2024	2023		2024	2023	
Water	\$ 4,437	\$ 4,402	1%	\$ 870	\$ 570	53%
Wastewater	2,269	1,938	17%	833	1,160	-28%
Solid Waste	1,515	1,389	9%	1,743	1,431	22%
Ambulance	277	277	0%	113	112	1%
Interest on Gov. Long-Term Debt	330	374	-12%	(330)	(373)	-12%
<b>TOTAL</b>	<b>\$ 8,828</b>	<b>\$ 8,380</b>	<b>5%</b>	<b>\$ 3,229</b>	<b>\$ 2,900</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 \$767,933 from the prior year. This increase is attributed to continued increases in sales and use tax due to grocery and online sales and other intergovernmental revenues.

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 County ARPA Fund, a major Special Revenue Fund, is used to account for funds received from Canadian County under an American Rescue Plan grant. The \$2.8 million award will be used to upgrade a water line along State Highway 152.

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 \$737,842 and transfers from other funds for the purchase or construction of assets of \$2,479,207.

#### *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 \$561,979 in appropriations. General Fund actual expenditures were below budgeted appropriations by \$1,399,811 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, 2024, the city had \$84.3 million invested in capital assets due to completion of the several street and drainage projects, SH152 water and sewer line improvement/relocation, and the additions of various capital improvement projects still under construction.

Information on capital assets is in Note 3.D.

<b>Capital Assets</b> <b>Table 5</b> <b>Net of Accumulated Depreciation</b> (In millions)							
	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>		<b>Total % Change</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	
<i>Non-Depreciable Assets</i>							
Land	\$ 1.2	\$ 1.2	\$ 0.5	\$ 0.5	\$ 1.7	\$ 1.7	0%
Construction in progress	0.1	-	2.0	1.5	2.1	1.5	40%
<i>Depreciable Assets</i>							
Buildings	16.3	16.8	11.8	12.2	28.1	29.0	-3%
Improvements	2.3	2.4	-	-	2.3	2.4	-4%
Machinery and equipment	5.2	5.1	0.1	-	5.3	5.1	4%
Infrastructure	21.2	21.8	23.6	21.5	44.8	43.3	3%
Intangible leased equipment	-	0.1	-	-	-	0.1	-100%
<b>Totals</b>	<b>\$46.3</b>	<b>\$47.4</b>	<b>\$38.0</b>	<b>\$35.7</b>	<b>\$84.3</b>	<b>\$83.1</b>	<b>1%</b>

#### **Debt Administration**

At year-end, the city had \$24.2 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:

<b>Outstanding Debt</b> <b>Table 6</b> (in millions)							
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>		<b>Total Percentage Change</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	
General obligation bonds	\$0.8	\$1.0	\$ -	\$ -	\$ 0.8	\$ 1.0	-20%
Notes payable	1.7	1.6	21.0	24.3	22.7	25.9	-12%
Accrued Compensation	0.6	0.6	-	-	0.6	0.6	0%
Lease obligations	0.1	0.1	-	-	0.1	0.1	-50%
<b>Totals</b>	<b>\$3.2</b>	<b>\$3.3</b>	<b>\$21.0</b>	<b>\$24.3</b>	<b>\$24.2</b>	<b>\$27.6</b>	<b>-13%</b>

### *Economic Factors and Next Year's Budget*

Mustang has a stable and growing economy, as indicated by several factors. Sales and use tax collections have shown a modest increase, suggesting consistent consumer spending within the city. Significant capital grants and contributions indicate ongoing development, with developers contributing infrastructure that benefits the city. Increase in other revenues reflect a diverse economic base. Investments in public safety and infrastructure, such as street maintenance and utility projects, demonstrate a commitment to community services and growth. Overall, Mustang's economy appears to be stable, with growth in various sectors and proactive management of resources and services.

Looking ahead to the FY25 budget, employee well-being is a top priority. Union negotiations resulted in fair compensation agreements, and all non-exempt employees will receive a 5% merit increase, demonstrating fiscal responsibility alongside employee support.

### *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  
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, 2024

	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	\$ 10,547,534	\$ 5,247,487	\$ 15,795,021	\$ 3,317
Investments	17,597,166	6,753,531	24,350,697	-
Restricted - cash and cash equivalents	-	3,971,243	3,971,243	-
Restricted - investments	-	531,476	531,476	-
Accounts Receivable, net	1,047,796	1,310,494	2,358,290	-
Due from Other Governments	2,410,757	140,156	2,550,913	-
Other Receivables	463,699	-	463,699	-
Inventory	60,517	46,022	106,539	-
Prepaid items	12,005	-	12,005	-
<b>Total Current Assets</b>	<b>32,139,474</b>	<b>18,000,409</b>	<b>50,139,883</b>	<b>3,317</b>
<b>Noncurrent Assets:</b>				
Capital Assets				
Land and construction in progress	1,336,027	2,484,230	3,820,257	-
Depreciable buildings, property, and equipment, net	44,943,464	35,537,336	80,480,800	-
Net pension asset	160,423	-	160,423	-
<b>Total Noncurrent Assets</b>	<b>46,439,914</b>	<b>38,021,566</b>	<b>84,461,480</b>	<b>-</b>
<b>Total Assets</b>	<b>\$ 78,579,388</b>	<b>\$ 56,021,975</b>	<b>\$ 134,601,363</b>	<b>\$ 3,317</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred amount related to OPEB	254,253	-	254,253	-
Deferred amount related to Pension	4,441,146	-	4,441,146	-
Unamortized asset retirement obligation	-	2,539,800	2,539,800	-
<b>Total deferred outflow of resources</b>	<b>4,695,399</b>	<b>2,539,800</b>	<b>7,235,199</b>	<b>-</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts payable	\$ 1,003,841	\$ 773,229	\$ 1,777,070	\$ -
Accrued interest payable	26,169	124,765	150,934	-
Accrued liabilities	259,215	-	259,215	-
Unearned revenue	6,574,235	-	6,574,235	-
Claims payable	73,155	-	73,155	-
Amounts held in escrow	16,784	-	16,784	-
Deposits subject to refund	-	57,503	57,503	-
OPEB liability	35,724	-	35,724	-
Current portion of long-term obligations	886,656	3,328,746	4,215,402	-
<b>Total Current Liabilities</b>	<b>8,875,779</b>	<b>4,284,243</b>	<b>13,160,022</b>	<b>-</b>
<b>Noncurrent Liabilities:</b>				
OPEB liability	1,018,629	-	1,018,629	-
Net pension liability	7,930,811	-	7,930,811	-
Asset retirement obligation	-	2,765,560	2,765,560	-
Deposits subject to refund	-	517,527	517,527	-
Noncurrent portion of other long-term obligations	2,264,099	17,694,743	19,958,842	-
<b>Total Noncurrent Liabilities</b>	<b>11,213,539</b>	<b>20,977,830</b>	<b>32,191,369</b>	<b>-</b>
<b>Total Liabilities</b>	<b>20,089,318</b>	<b>25,262,073</b>	<b>45,351,391</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred amount related to OPEB	460,554	-	460,554	-
Deferred amount related to Pension	901,496	-	901,496	-
<b>Total deferred inflow of resources</b>	<b>1,362,050</b>	<b>-</b>	<b>1,362,050</b>	<b>-</b>
<b>NET POSITION:</b>				
Net investment in capital assets	43,713,208	19,964,128	63,677,336	-
Restricted for:				
Public Safety	447,105	-	447,105	-
Debt Service	64,280	838,123	902,403	-
Culture and recreation	81,137	-	81,137	-
Unrestricted	17,517,689	12,497,451	30,015,140	3,317
<b>Total net position</b>	<b>\$ 61,823,419</b>	<b>\$ 33,299,702</b>	<b>\$ 95,123,121</b>	<b>\$ 3,317</b>

See accompanying notes to the basic financial statements.



City of Mustang, Oklahoma  
Statement of Activities  
For the fiscal year ended June 30, 2024

		Net (Expense) Revenue and Changes in Net Position						
Functions/Programs	Expenses	Program Revenues			Primary Government		Total	Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		MEDA
Primary government								
Governmental Activities								
Administration	\$ 5,317,814	\$ -	\$ -	\$ -	\$ (5,317,814)	\$ -	\$ (5,317,814)	\$ -
Culture and recreation	4,344,338	1,425,059	104,867	180,974	(2,633,438)	-	(2,633,438)	-
Community development	616,539	251,070	-	-	(365,469)	-	(365,469)	-
Public Safety	9,561,060	1,316,474	911,417	45,000	(7,288,169)	-	(7,288,169)	-
Streets and drainage	3,469,861	-	201,808	2,176,064	(1,091,989)	-	(1,091,989)	-
Interest on Long-term debt	86,093	-	-	-	(86,093)	-	(86,093)	-
Total governmental activities	23,395,705	2,992,603	1,218,092	2,402,038	(16,782,972)	-	(16,782,972)	-
Business-type activities								
Water	4,437,396	4,602,973	-	704,525	-	870,102	870,102	-
Wastewater	2,268,449	2,592,843	-	508,637	-	833,031	833,031	-
Sanitation	1,514,586	2,991,031	266,941	-	-	1,743,386	1,743,386	-
Ambulance assessment	277,340	390,315	-	-	-	112,975	112,975	-
General government	330,323	-	-	-	-	(330,323)	(330,323)	-
Total business-type activities	8,828,094	10,577,162	266,941	1,213,162	-	3,229,171	3,229,171	-
Total primary government	\$ 32,223,799	\$ 13,569,765	\$ 1,485,033	\$ 3,615,200	(16,782,972)	3,229,171	(13,553,801)	
Component Units								
Economic Development	-	-	-	-				-
Total component unit	-	-	-	-				-
General revenues:								
Taxes:								
Sales and use taxes					17,564,004	-	17,564,004	-
Franchise and public service taxes					898,187	-	898,187	-
Advalorem taxes					271,627	-	271,627	-
Intergovernmental revenue not restricted to specific programs					420,332	-	420,332	-
Investment income					1,003,136	752,929	1,756,065	41
Miscellaneous					588,300	847,408	1,435,708	-
Transfers - internal activity					(1,689,645)	1,689,645	-	-
Total general revenues and transfers					19,055,941	3,289,982	22,345,923	41
Change in net position					2,272,969	6,519,153	8,792,122	41
Net position - beginning					59,550,450	26,780,549	86,330,999	3,276
Net position - ending					\$ 61,823,419	\$ 33,299,702	\$ 95,123,121	\$ 3,317

See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma  
Balance Sheet  
Governmental Funds  
June 30, 2024**

	General Fund	ARPA	County ARPA	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,120,324	\$ 727,233	\$ 313,611	\$ 2,703,425	\$ 2,169,679	\$ 10,034,272
Investments	4,889,826	3,338,522	2,598,929	2,694,461	3,519,701	17,041,439
Receivables:						
Due from other governments	2,366,067	-	-	-	44,690	2,410,757
Court fines receivable, net	1,047,796	-	-	-	-	1,047,796
Other receivables	139,075	-	-	200,580	124,044	463,699
Prepaid items	3,099	-	-	-	379	3,478
Inventories	60,517	-	-	-	-	60,517
Total assets	<u>\$ 12,626,704</u>	<u>\$ 4,065,755</u>	<u>\$ 2,912,540</u>	<u>\$ 5,598,466</u>	<u>\$ 5,858,493</u>	<u>\$ 31,061,958</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 438,358	\$ -	\$ -	\$ 481,171	\$ 82,393	\$ 1,001,922
Accrued liabilities	250,063	-	-	-	-	250,063
Unearned revenue	-	3,771,623	2,802,612	-	-	6,574,235
Amounts held in escrow	27,855	-	-	-	-	27,855
Total liabilities	<u>716,276</u>	<u>3,771,623</u>	<u>2,802,612</u>	<u>481,171</u>	<u>82,393</u>	<u>7,854,075</u>
<b>DEFERRED INFLOWS</b>						
Unavailable revenue	<u>1,006,352</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,439</u>	<u>1,170,791</u>
Fund balances:						
Nonspendable	63,616	-	-	-	379	63,995
Restricted	-	-	-	-	618,312	618,312
Committed	-	294,132	109,928	5,125,822	4,992,970	10,522,852
Assigned	35,595	-	-	-	-	35,595
Unassigned	10,804,865	-	-	-	-	10,804,865
Total fund balances	<u>10,904,076</u>	<u>294,132</u>	<u>109,928</u>	<u>5,125,822</u>	<u>5,611,661</u>	<u>22,045,619</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,626,704</u>	<u>\$ 4,065,755</u>	<u>\$ 2,912,540</u>	<u>\$ 5,606,993</u>	<u>\$ 5,858,493</u>	<u>\$ 31,070,485</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, 2024**

<b>Total fund balance, governmental funds</b>	\$ 22,045,619
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 \$66,730,084	<u>46,279,491</u>
Certain other long-term assets are not available to pay current fund liabilities and therefore, are deferred in the funds:	
Court fines receivable	970,858
Other receivable	121,313
Receivable from other governments	<u>78,620</u>
	<u>1,170,791</u>
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.	<u>995,834</u>
Certain liabilities are not due and payable from current financial resources and therefore, are not reported in the funds:	
General obligation bonds payable	(795,000)
Accrued compensated absences	(584,474)
Note payable	(1,721,736)
Accrued interest payable	(26,169)
Lease obligations	<u>(49,545)</u>
	<u>(3,176,924)</u>
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	4,441,146
Net pension asset	160,423
Net pension liability	(7,930,811)
Deferred inflows of resources related to pensions	(901,496)
Total OPEB liability	(1,054,353)
Deferred outflows of resources related to OPEB	254,253
Deferred inflows of resources related to OPEB	<u>(460,554)</u>
	<u>(5,491,392)</u>
<b>Net Position of Governmental Activities in the Statement of Net Position</b>	<u><u>\$ 61,823,419</u></u>

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, 2024**

	General Fund	ARPA	County ARPA	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes	\$ 18,492,026	\$ -	\$ -	\$ -	\$ 265,825	\$ 18,757,851
Intergovernmental	1,609,668	65,104	-	869,836	103,561	2,648,169
Charges for services	1,405,627	-	-	-	-	1,405,627
Fines and forfeitures	339,832	-	-	-	132,777	472,609
Licenses and permits	274,006	-	-	-	4,950	278,956
Investment income	311,213	196,471	109,928	187,963	197,561	1,003,136
Miscellaneous	570,853	-	-	264,122	164,019	998,994
Total revenues	<u>23,003,225</u>	<u>261,575</u>	<u>109,928</u>	<u>1,321,921</u>	<u>868,693</u>	<u>25,565,342</u>
<b>EXPENDITURES</b>						
Current:						
Administration	4,104,467	-	-	-	296	4,104,763
Culture and recreation	3,134,452	-	-	-	45,780	3,180,232
Community development	599,311	-	-	-	-	599,311
Public safety	9,237,000	-	-	-	102,040	9,339,040
Streets and drainage	213,315	-	-	-	-	213,315
Capital outlay	60,578	65,104	-	2,551,079	1,060,133	3,736,894
Debt Service:						
Principal	30,670	-	-	1,391,896	255,000	1,677,566
Interest and fiscal charges	719	-	-	61,919	26,944	89,582
Total expenditures	<u>17,380,512</u>	<u>65,104</u>	<u>-</u>	<u>4,004,894</u>	<u>1,490,193</u>	<u>22,940,703</u>
Excess (deficiency) of revenues over expenditures	<u>5,622,713</u>	<u>196,471</u>	<u>109,928</u>	<u>(2,682,973)</u>	<u>(621,500)</u>	<u>2,624,639</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of long-term debt	-	-	-	737,842	-	737,842
Transfers in	10,335,451	-	-	2,479,207	2,096,323	14,910,981
Transfers out	(15,190,231)	-	-	-	(394,262)	(15,584,493)
Total other financing sources and uses	<u>(4,854,780)</u>	<u>-</u>	<u>-</u>	<u>3,217,049</u>	<u>1,702,061</u>	<u>64,330</u>
Net change in fund balances	767,933	196,471	109,928	534,076	1,080,561	2,688,969
Fund balances - beginning	10,136,143	97,661	-	4,591,746	4,531,100	19,356,650
Fund balances - ending	<u>\$ 10,904,076</u>	<u>\$ 294,132</u>	<u>\$ 109,928</u>	<u>\$ 5,125,822</u>	<u>\$ 5,611,661</u>	<u>\$ 22,045,619</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, 2024**

Net change in fund balances - total governmental funds: \$ 2,688,969

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	2,738,967
Capital assets contributed	1,359,361
Capital assets transferred from business-type activities	75,985
Depreciation/amortization expense	(5,284,944)
Disposal of capital assets	(46,519)
	(1,157,150)

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

Unavailable revenue	588,511
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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.

(329,370)

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	(737,842)
General obligation bond principal payments	255,000
Note payable principal payments	621,227
Lease obligation payments	30,670
	169,055

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	3,960
Accrued compensated absences	(13,272)
Total OPEB liability	(38,380)
	(47,692)

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	360,646
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Change in net position of governmental activities	\$ 2,272,969
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See accompanying notes to the basic financial statements

**City of Mustang, Oklahoma  
Statement of Net Position  
Proprietary Funds  
June 30, 2024**

	<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	\$ 5,247,487	\$ 513,262
Restricted cash and cash equivalents	3,971,243	-
Investments	6,753,531	555,727
Restricted investments	531,476	-
Accounts receivable, net	1,310,494	-
Due from other governments	140,156	-
Other receivable	-	-
Inventory	46,022	-
Total current assets	<u>18,000,409</u>	<u>1,068,989</u>
Non-current assets:		
Land and construction in progress	2,484,230	-
Other capital assets, net	35,537,336	-
Total non-current assets	<u>38,021,566</u>	<u>-</u>
Total assets	<u>56,021,975</u>	<u>1,068,989</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>		
Unamortized asset retirement obligation	<u>2,539,800</u>	<u>-</u>
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	773,229	-
Claims payable	-	73,155
Accrued interest payable	124,765	-
Refundable deposits	57,503	-
Notes payable	3,328,746	-
Total current liabilities	<u>4,284,243</u>	<u>73,155</u>
Non-current liabilities:		
Deposits subject to refund	517,527	-
Asset retirement obligation	2,765,560	-
Notes payable	17,694,743	-
Total non-current liabilities	<u>20,977,830</u>	<u>-</u>
Total liabilities	<u>25,262,073</u>	<u>73,155</u>
<b>NET POSITION</b>		
Net investment in capital assets	19,964,128	-
Restricted for debt service	838,123	-
Unrestricted	12,497,451	995,834
Total net position	<u>\$ 33,299,702</u>	<u>\$ 995,834</u>

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, 2024**

	<u>Enterprise Fund</u> <u>Mustang</u> <u>Improvement</u> <u>Authority</u>	<u>Governmental</u> <u>Activities</u>  <u>Internal Service</u> <u>Fund</u>
<b>OPERATING REVENUES</b>		
Charges for services:		
Water charges	\$ 4,565,828	\$ -
Sewer charges	2,564,843	-
Installations and connections	37,145	-
Penalties	181,147	-
Sanitation charges	2,900,768	-
Ambulance assessment	390,315	-
Sewer impact fees	28,000	-
Workers compensation fees	-	300,000
Grant revenue	612,221	-
Other	756,496	28,718
Total operating revenues	<u>12,036,763</u>	<u>328,718</u>
<b>OPERATING EXPENSES</b>		
Cost of goods sold	916,077	-
Operations and maintenance	5,822,526	106,244
Claims expense	-	(97,299)
Depreciation expense	1,598,186	-
Total Operating Expenses	<u>8,336,789</u>	<u>8,945</u>
Operating income	<u>3,699,974</u>	<u>319,773</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	752,929	40,873
Miscellaneous	28	-
Interest expense and fiscal charges	(491,305)	-
Capital assets purchased for governmental activities	(75,985)	-
Total non-operating revenue (expenses)	<u>185,667</u>	<u>40,873</u>
Net income (loss) before contributions and transfers	3,885,641	360,646
Contributed capital	867,882	-
Capital asset transfers from governmental activities	1,092,118	-
Transfers in	14,882,379	-
Transfers out	<u>(14,208,867)</u>	<u>-</u>
Change in net position	6,519,153	360,646
Total net position - beginning	26,780,549	635,188
Total net position - ending	<u>\$ 33,299,702</u>	<u>\$ 995,834</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, 2024**

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Mustang Improvement Authority</u>	<u>Internal Service Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 11,858,098	\$ 328,718
Payments to suppliers	(6,599,724)	(106,244)
Payment of claims	-	(130,008)
Receipts of customer meter deposits	117,270	-
Refunds of customer meter deposits	(104,550)	-
<b>Net cash provided by operating activities</b>	<u>5,271,094</u>	<u>92,466</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Assets purchased for and transferred to governmental activities	(75,985)	-
Transfers from other funds	14,882,379	-
Transfers to other funds	(14,208,867)	-
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>597,527</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchases of capital assets	(1,919,492)	-
Principal paid on debt	(3,263,387)	-
Interest and fiscal agent fees paid on debt	(509,211)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<u>(5,692,090)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,610,033)	(22,814)
Interest and dividends	752,929	40,873
<b>Net cash provided by (used in) investing activities</b>	<u>(857,104)</u>	<u>18,059</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(680,573)	110,525
<b>Balances - beginning of year</b>	<u>9,899,303</u>	<u>402,737</u>
<b>Balances - end of year</b>	<u>\$ 9,218,730</u>	<u>\$ 513,262</u>
<b>Reconciliation to Statement of Net Position:</b>		
Cash and cash equivalents	\$ 5,247,487	\$ 513,262
Restricted cash and cash equivalents - current	3,971,243	-
<b>Total cash and cash equivalents, end of year</b>	<u>\$ 9,218,730</u>	<u>\$ 513,262</u>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 3,699,974	\$ 319,773
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,598,186	-
Amortization expense	56,440	-
Miscellaneous revenue	28	-
Change in assets and liabilities:		
Accounts receivable	(122,048)	-
Other receivable	(56,645)	-
Inventory	10,996	-
Accounts payable	71,443	-
Deposits subject to refund	12,720	-
Claims payable	-	(227,307)
<b>Net cash provided by operating activities</b>	<u>\$ 5,271,094</u>	<u>\$ 92,466</u>
<b>Noncash activities:</b>		
Contributed capital assets	\$ 867,882	\$ -
Capital asset transferred to governmental activities	1,092,117	-
<b>Total noncash activities</b>	<u>\$ 1,959,999</u>	<u>\$ -</u>

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.

#### *BLENDED 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. 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 the 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, County ARPA Fund and the ARPA Fund. The ARPA Fund and the County ARPA Fund are considered major funds.

##### *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 workers' 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 include 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, 2024, 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 a future period. At June 30, 2024, 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, 2024, 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 obligation, 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, 2024, 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, 2024, the City's net assessed valuation of taxable property was \$201,718,989. The taxes levied by the City per \$1,000 of net assessed valuation for the year ended June 30, 2024, was \$1.32.

#### *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 \$1,525,975. The note is payable from the above-mentioned utility net revenues. Debt service payments of \$250,062 for the current fiscal year were 10.33% 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 \$7,743,356. Debt service of \$1,185,979 for the current fiscal year was 5.50% 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 \$6,995,496. Debt service of \$1,064,999 for the current fiscal year was 4.93% 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 \$4,292,856. Debt service of \$148,484 or the current fiscal year was .69% 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 \$2,211,828. Debt service of \$1,106,169 for the current fiscal year was 5.13% 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 \$838,275. Pledged ad valorem taxes received in the current year were \$265,825. Debt service payments of

\$281,644 for the current fiscal year were 106% 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, 2024, 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., d., and e.

Public trusts created under O.S. Title 60 are not subject to the above-mentioned investment limitations and are primarily governed by any restrictions in their trust or bond indentures. For the year ended June 30, 2024, 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, 2024.

### 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, 2024, the City was not exposed to custodial credit risk as defined above.

Total bank deposits of \$3,317 of the discretely presented component unit were insured with Federal Deposit Insurance Corporation Insurance.

As of June 30, 2024, 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	\$ 15,837,326	n/a	\$ 15,837,326	\$ -	\$ -
Money market fund - federal obligations	3,928,938	AAA	-	3,928,938	-
Certificates of deposit	24,882,173	n/a	-	24,882,173	-
<b>Total deposits and investments</b>	<b>\$ 44,648,437</b>		<b>\$ 15,837,326</b>	<b>\$ 28,811,111</b>	<b>\$ -</b>
<b>Reconciliation to Statement of Net Position:</b>					
Cash and cash equivalents	\$ 15,795,021				
Restricted-cash and cash equivalents	3,971,243				
Investments	24,350,697				
Restricted-investments	531,476				
	<b>\$ 44,648,437</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, 2024:

- Money Market Mutual Funds of \$3,928,938 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, 2024, is as follows:

	Governmental Activities	Business-Type Activities	Totals
Accounts receivable	\$ 2,910,545	\$ 1,330,129	\$ 4,240,674
Allowance for uncollectible accounts	(1,862,749)	(19,635)	(1,882,384)
Total accounts receivable	<u>\$ 1,047,796</u>	<u>\$ 1,310,494</u>	<u>\$ 2,358,290</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, 2024, the city recorded a receivable and deferred revenue of \$121,313 for settlement funds to be received over the next fifteen years. Funds are restricted until expended. No funds have been expended as of June 30th, 2024.

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, 2024 were as follows:

	Cash and Cash Equivalents	Investments	Totals
Business-Type Activities:			
Deposits subject to refund	\$ 42,304	\$ 531,476	\$ 573,780
Construction account	2,966,051	-	2,966,051
Debt service	<u>962,888</u>	<u>-</u>	<u>962,888</u>
Total Business-type Activities-Restricted Assets	<u>\$ 3,971,243</u>	<u>\$ 531,476</u>	<u>\$ 4,502,719</u>

### 3.D. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

Governmental activities:

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,181,726	\$ 19,292	\$ -	\$ 1,201,018
Construction-in-progress	69,503	95,992	30,486	135,009
Total capital assets not being depreciated	1,251,229	115,284	30,486	1,336,027
Depreciable assets:				
Buildings	28,335,453	203,188	-	28,538,641
Other improvements	4,383,497	156,123	45,466	4,494,154
Machinery and equipment	13,887,802	1,512,501	705,002	14,695,301
Infrastructure	61,678,949	2,217,703	-	63,896,652
Total depreciable assets	108,285,701	4,089,515	750,468	111,624,748
Less accumulated depreciation:				
Buildings	11,524,432	757,297	-	12,281,729
Other improvements	1,970,069	272,136	35,724	2,206,481
Machinery and equipment	8,800,170	1,410,906	668,225	9,542,851
Infrastructure	39,885,064	2,813,959	-	42,699,023
Total accumulated depreciation	62,179,735	5,254,298	703,949	66,730,084
Other assets:				
Intangible leased equipment	140,738	-	-	140,738
Total other assets	140,738	-	-	140,738
Less accumulated amortization:				
Intangible leased equipment	61,292	30,646	-	91,938
Net depreciable assets	46,185,412	(1,195,429)	46,519	44,943,464
Governmental activities capital assets, net	\$ 47,436,641	\$ (1,080,145)	\$ 77,005	\$ 46,279,491

Business-type activities:

	Balance at July 1, 2023	Additions	Deductions	Balance at June 30, 2024
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 452,326	\$ -	\$ -	\$ 452,326
Construction-in-progress	1,511,314	641,322	120,732	2,031,904
Total capital assets not being depreciated	1,963,640	641,322	120,732	2,484,230
Depreciable assets:				
Buildings	17,384,413	10,947	-	17,395,360
Other improvements	80,561	9,856	-	90,417
Machinery and equipment	453,728	39,682	904	492,506
Utility property	44,888,756	3,298,417	-	48,187,173
Total depreciable assets	62,807,458	3,358,902	904	66,165,456
Less accumulated depreciation:				
Buildings	5,214,851	347,755	-	5,562,606
Other improvements	40,987	5,284	-	46,271
Machinery and equipment	418,573	18,675	904	436,344
Utility property	23,356,427	1,226,472	-	24,582,899
Total accumulated depreciation	29,030,838	1,598,186	904	30,628,120
Net depreciable assets	33,776,620	1,760,716	-	35,537,336
Business-type activities capital assets, net	\$ 35,740,260	\$ 2,402,038	\$ 120,732	\$ 38,021,566

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

Governmental Activities:	
Depreciation:	
Administration	\$ 110,495
Culture and recreation	962,615
Community development	9,138
Public safety	1,272,386
Streets and drainage	2,899,664
Total depreciation expense for governmental activities	<u>5,254,298</u>
Amortization:	
Administration	
Total amortization expense for governmental activities	<u>30,646</u>
Total depreciation/amortization expense for governmental ac	<u>\$ 5,284,944</u>
Business-type Activities:	
Water	\$ 754,138
Wastewater	841,322
Sanitation	2,726
Total depreciation expense for business-type activities	<u>\$ 1,598,186</u>

#### *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 47 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, 2024, 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 \$540,000.

\$795,000

*Business-Type Activities:*

As of June 30, 2024, 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 \$1,225,101. \$1,442,489

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 \$1,035,000, non-current portion \$6,155,000 7,190,000

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 \$920,000, non-current portion \$5,520,000 6,440,000

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 \$3,706,000 3,776,000

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 \$1,080,000, non-current portion \$1,095,000 2,175,000

Total Notes Payable outstanding \$ 21,023,489

Current portion \$ 3,328,746

Non-current portion 17,694,743

Total Notes Payable \$21,023,489

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 \$330,323 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, 2024:

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Amount due in one year
<b>Governmental Activities :</b>					
General obligation bonds	\$ 1,050,000	\$ -	\$ 255,000	\$ 795,000	\$ 255,000
<b>Business-type Activities :</b>					
Notes payable - direct borrowings and direct placements	\$ 24,286,876	\$ -	\$ 3,263,387	\$ 21,023,489	\$ 3,328,746

### Annual Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for long-term debt as of June 30, 2024 are as follows:

Year Ending June 30,	Governmental Activities		Business Type Activities	
	General Obligation Bonds		Notes Payable - Direct Borrowings and Direct Placements	
	Principal	Interest	Principal	Interest
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	-	-	2,723,515	236,965
2029	-	-	2,787,552	175,559
2030-2034	-	-	5,691,740	240,274
2035	-	-	438,000	6,734
Total	\$ 795,000	\$ 43,275	\$ 21,023,489	\$ 1,746,023

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

During the year ended June 30, 2024, the City had the following changes in other long-term liabilities to be paid from governmental activities.

	Balance July 1, 2023	Additions	Deductions	Balance June 30, 2024	Amount due in one year
<b>Governmental Activities :</b>					
Notes payable - direct borrowings	\$ 1,605,121	\$ 737,842	\$ 621,227	\$ 1,721,736	\$ 541,919
Accrued compensated absences	571,202	13,272	-	584,474	58,747
Lease obligations	80,215	-	30,670	49,545	30,990
Total Governmental Activities	\$ 2,256,538	\$ 751,114	\$ 651,897	\$ 2,355,755	\$ 631,656

Year Ending June 30,	Governmental Activities			
	Notes payable - Direct Borrowings		Lease Obligations	
	Principal	Interest	Principal	Interest
2025	\$ 541,919	\$ 68,190	\$ 30,990	\$ 400
2026	335,882	46,296	18,555	94
2027	92,127	31,203	-	-
2028	95,661	27,669	-	-
2029	99,331	23,999	-	-
2030-2034	556,816	56,401	-	-
Total	<u>\$ 1,721,736</u>	<u>\$ 253,758</u>	<u>\$ 49,545</u>	<u>\$ 494</u>

Notes Payable:

\$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 \$220,476. If the City defaults, the collateralized vehicles will be returned to the lender.

\$ 220,476

\$737,842 note to RCB Bank for the purchase of eleven police vehicles due in three annual installments of \$258,848 with an interest rate of 4.63%. Current portion is \$235,997 long term portion is \$247,159. If the City defaults, the collateralized vehicles will be returned to the lender.

483,156

\$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 \$85,446, long term portion is \$932,658. If the City defaults, the collateralized truck will be returned to the lender.

1,018,104

Total Notes Payable Outstanding

\$1,721,736

Current portion

\$ 541,919

Non-current portion

1,179,817

Total Notes Payable

\$1,721,736

Accrued Compensated Absences:

Current portion

\$58,747

Non-current portion

525,727

Total Accrued Compensated Absences

\$584,474

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

Lease Obligations:

Current portion

\$30,990

Non-current portion

18,555

Total Lease Obligations

\$49,545

### 3.G. INTERFUND TRANSACTION AND BALANCES

Interfund transfers for the year ended June 30, 2024, were as follows:

Transfer from	Transfer to	Amount	Nature of Interfund Transfer
General Fund	MIA	\$ 14,882,379	Pledged sales tax-bond indenture
General Fund	Capital Project	264,119	Capital asset acquisition
General Fund	Park Improvements	43,733	Business license revenue
Juvenile	General Fund	8,800	Operating
Personal Service 10%	General Fund	385,462	Sales tax per ordinance
MIA	General Fund	2,500,000	Budgeted annual transfer
MIA	General Fund	7,441,189	Return of pledged sales tax-bond indenture
MIA	Streets and Drainage	559,291	Sanitation franchise fees
MIA	Capital Project	2,215,088	Sales tax per ordinance
MIA	Capital Excess	1,121,239	Sales tax per ordinance
MIA	Personal Service 10%	372,060	Sales tax per ordinance
		<u>\$ 29,793,360</u>	

Reconciliation to Fund Financial Statements:	Transfers In	Transfers Out	Net Transfers
Governmental Funds	\$ 14,910,981	\$ 15,584,493	\$ (673,512)
Proprietary Funds	14,882,379	14,208,867	673,512
Total Transfers	<u>\$ 29,793,360</u>	<u>\$ 29,793,360</u>	<u>\$ -</u>

Reconciliation to Statement of Net Activities:	
Net transfers	\$ 673,512
Capital asset transferred to governmental activities	(75,985)
Capital asset transferred to business type activities	1,092,118
Net transfers	<u>\$ 1,689,645</u>

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

*Government Wide Financial Statements:*

Net Position Restrictions at June 30, 2024 were as follows:

Restricted For:	Restricted By:	Amount
Debt Service	Property tax levy - external	\$ 64,280
Public Safety	Fine revenue -enabling legislat	316,849
Public Safety	External contract	130,256
Park Donation	Donor - external	81,137
Mustang Improvement Authority	Debt covenants - external	838,123
		<u>\$ 1,430,645</u>
Restricted by enabling legislation		\$ 316,849
Restricted by external contracts		1,113,796
Total		<u>\$ 1,430,645</u>

*Fund Level Financial Statements:*

	General Fund	ARPA	County ARPA	Capital Improvement	Other Governmental Funds	Total
Fund Balance						
Nonspendable:						
Inventory	\$ 63,616	\$ -	\$ -	\$ -	\$ 379	\$ 63,995
Restricted For:						
Debt service - debt covenants	-	-	-	-	90,449	90,449
Law enforcement programs - council ordinance	-	-	-	-	316,470	316,470
Law enforcement programs	-	-	-	-	130,256	130,256
Capital improvements - donor restriction	-	-	-	-	81,137	81,137
Sub-total restricted	-	-	-	-	618,312	618,312
Committed for:						
Capital improvements - city ordinance	-	-	-	5,125,822	3,922,516	9,048,338
Street improvements - city ordinance	-	-	-	-	978,708	978,708
Park improvements - city ordinance	-	-	-	-	90,746	90,746
Grant programs	-	294,132	109,928	-	-	404,060
Law enforcement programs	-	-	-	-	1,000	1,000
Sub-total committed	-	294,132	109,928	5,125,822	4,992,970	10,522,852
Assigned for:						
Health reimbursements - council resolution	35,595	-	-	-	-	35,595
Sub-total assigned	35,595	-	-	-	-	35,595
Unassigned:	10,804,865	-	-	-	-	10,804,865
TOTAL FUND BALANCE	\$ 10,904,076	\$ 294,132	\$ 109,928	\$ 5,125,822	\$ 5,611,661	\$ 22,045,619

**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, 2024 were as follows. The OPEB information is included to provide a reconciliation to the amounts shown in the Statement of Net Position.

Governmental Activities	OPPRS	OFPRS	OkMRF	Total Pension	OPEB	Total
Deferred Outflows	\$ 1,537,116	\$ 1,613,033	\$ 1,290,997	\$ 4,441,146	\$ 254,253	\$ 4,695,399
Deferred Inflows	\$ 374,398	\$ 235,083	\$ 292,015	\$ 901,496	\$ 460,554	\$ 1,362,050
Net pension liability/(asset)	\$ (160,423)	\$ 6,542,608	\$ 1,388,203	\$ 7,770,388	\$ -	\$ 7,770,388
Pension/OPEB expense	\$ 419,888	\$ 1,207,217	\$ 470,989	\$ 2,098,094	\$ 74,104	\$ 2,172,198
OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ 1,054,353	\$ 1,054,353



## 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 \$284,539. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$298,063 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 \$233,522. 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, 2024, the City reported \$160,423 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was 0.525288 percent. The General Fund is typically used to liquidate the net pension liability, if any.

For the year ended June 30, 2024, the City recognized pension expense of \$419,888. At June 30, 2024, 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	\$ 439,158	\$ 24,741
Changes of assumptions	-	299,446
Net difference between projected and actual earnings on pension plan investments	794,829	-
Changes in proportion	15,788	48,899
City contributions during measurement date	2,802	1,312
City benefit payments subsequent to the measurement date	284,539	-
Total	<u>\$ 1,537,116</u>	<u>\$ 374,398</u>

The \$284,539 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, 2025. 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:

2025	\$ 141,161
2026	(4,950)
2027	614,752
2028	134,349
2029	(7,133)
	<u>\$ 878,179</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2023, 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, 2023, 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, 2023, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private equity	11.64%
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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Employers' net pension liability (asset)	\$ 1,514,645	\$ (160,423)	\$ (1,578,689)

**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, 2024.

## 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 \$298,365. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$738,284 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 \$597,550. 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, 2024, the City reported a liability of \$6,542,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. 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, 2023. Based upon this information, the City's proportion was .507080 percent. The General Fund is typically used to liquidate the net pension liability.

For the year ended June 30, 2024, the City recognized pension expense of \$1,207,217. At June 30, 2024, 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	\$ 778,098	\$ 8,306
Changes of assumptions	-	10,490
Net difference between projected and actual earnings on pension plan investments	431,610	-
Changes in proportion	103,802	209,880
City contributions during measurement date	1,158	6,407
City contributions subsequent to the measurement date	298,365	-
Total	<u>\$ 1,613,033</u>	<u>\$ 235,083</u>

The \$298,365 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, 2025. 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:

2025	\$ 391,533
2026	57,200
2027	672,909
2028	(42,057)
2029	-
	<u>\$ 1,079,585</u>

**Actuarial Assumptions**-The total pension liability was determined by an actuarial valuation as of July 1, 2023, 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, 2023, 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, 2023, are summarized in the following table:



Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	20%	5.80%
Domestic equity	42%	9.49%
International equity	20%	11.55%
Real estate	10%	8.48%
Other assets	8%	6.47%
	<u>100%</u>	

**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	\$ 8,525,301	\$ 6,542,608	\$ 4,884,552

**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, 2024.

## 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 7/1/23</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 2024 is 14.51%. Employees contribute 5.25% in accordance with plan provisions. The City contributes 12.48%. In fiscal year 2024, the City recognized \$399,111 of employer contributions to the plan based on covered payroll of \$3,198,010. The General Fund is typically used to liquidate the net pension liability.

### Actuarial Assumptions

Date of Last Actuarial Valuation	July 1, 2023
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 style="margin-left: 400px;"> <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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Real Return	Weighted Return
Large cap stocks S&P 500	25%	4.55%	1.14%
Small/mid cap stocks Russell 2500	10%	5.00%	0.50%
International emerging mrkts equity MSCI EM net div	5%	6.40%	0.32%
International stocks MSCI EAFE	20%	6.20%	1.24%
Fixed income bonds Barclay's Capital Aggregate	20%	2.55%	0.51%
Real estate NCREIF	15%	4.95%	0.74%
Private Equity MSCI ACWI net div	5%	6.05%	0.30%
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, 2023 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, 2023 and the City’s report ending date of June 30, 2024, 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>	\$ 10,143,774	\$ 8,769,068	\$ 1,374,706
<b>Changes for the Year:</b>			
Service Cost	322,137	-	322,137
Interest cost	741,327	-	741,327
Difference between expected and actual experience	267,573	-	267,573
Assumption changes	-	-	-
Contributions-City	-	374,781	(374,781)
Contributions-members	-	157,661	(157,661)
Net investment income	-	804,626	(804,626)
Benefits paid including refunds of contributions	(528,389)	(528,389)	-
Plan administrative expenses	-	(19,528)	19,528
Other changes	-	-	-
<b>Net Changes</b>	802,648	789,151	13,497
<b>Balances End of Year</b>	\$ 10,946,422	\$ 9,558,219	\$ 1,388,203

*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	\$ 2,698,052	\$ 1,388,203	\$ 298,997

The City reported \$470,989. in pension expense for the year ended June 30, 2024. At June 30, 2024, 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	\$ 339,539	\$ 163,754
Changes of assumptions	12,925	128,261
Net difference between projected and actual earnings on pension plan investments	507,788	-
Changes in proportion	-	-
City contributions during measurement date	31,634	-
City contributions subsequent to the measurement date	399,111	-
Total	<u>\$ 1,290,997</u>	<u>\$ 292,015</u>

The \$399,111 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, 2025. 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:

2025	\$ 183,054
2026	66,136
2027	339,990
2028	10,691
2029	-
	<u>\$ 599,871</u>

#### 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, 2024 were \$29,427.

#### **Employees Covered by Benefit Terms**

Active Employees	96
Inactive not yet receiving benefits	0
Inactive or beneficiaries receiving benefits	<u>7</u>
Total	<u>103</u>



**Total OPEB Liability** – The total OPEB liability was determined based on an alternative measurement method valuation performed as of June 30, 2023, which is also the measurement date. The General Fund is typically used to liquidate the net OPEB liability.

**Actuarial Assumptions**- The total OPEB liability in the June 30, 2023, valuation, was determined using the following actuarial assumptions:

- Actuarial Cost Method - Entry Age
- Discount Rate – 4.13% 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>
2024	5.88%
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>	<u>\$ 1,090,034</u>
Changes for the Year:	
Service Cost	67,491
Interest expense	47,343
Difference between expected and actual experience	(7,683)
Change of assumptions	(113,405)
Benefits paid	<u>(29,427)</u>
<b>Net Changes</b>	<u>(35,681)</u>
<b>Balances End of Year</b>	<u><u>\$ 1,054,353</u></u>

**OPEB Liabilities, OPEB Expense, and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB -**

For the year ended June 30, 2024, the City recognized OPEB expense of \$74,104. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 113,950	\$ 116,528
Changes of assumptions	104,579	344,026
Net difference between projected and actual earnings on OPEB plan investments	-	-
City contributions subsequent to the measurement date	35,724	-
<b>Total</b>	<u><u>\$ 254,253</u></u>	<u><u>\$ 460,554</u></u>

The \$35,724 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, 2025. 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>	
2025	\$ (40,731)
2026	(38,713)
2027	(28,574)
2028	(14,055)
2029	(21,611)
Thereafter	(98,341)
	<u>\$ (242,025)</u>

**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 (3.13 percent) or 1-percentage-point higher (5.13 percent) than the current discount rate:

	1% Decrease (3.13%)	Current Discount Rate (4.13%)	1% Increase (5.13%)
Employers' total OPEB liability	\$ 1,169,698	\$ 1,054,353	\$ 952,335

**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 (4.88 percent decreasing to 2.94 percent) or 1-percentage-point higher (6.88 percent decreasing to 4.94 percent) than the current healthcare cost trend rates:

	1% Decrease (4.88% decreasing to 2.94%)	Current Discount Rate (5.88% decreasing to 3.94%)	1% Increase (6.88% decreasing to 4.94%)
Employers' total OPEB liability	\$ 935,939	\$ 1,054,353	\$ 1,195,454

#### 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, 2022 through June 30, 2024, was as follows:

<b>Claims Liability Analysis:</b>	
Claim liability, June 30, 2022	\$ 254,458
Claims and changes in estimates	134,898
Claims payments	(88,894)
Claim liability, June 30, 2023	<u>\$ 300,462</u>
Claims and changes in estimates	(97,299)
Claims payments	(130,008)
Claim liability, June 30, 2024	<u><u>\$ 73,155</u></u>
 Assets available to pay claims at June 30, 2024	 <u><u>\$ 1,068,989</u></u>

Based on past experience, the claims incurred but not reported was estimated at \$50,000. Net position reserves at June 30, 2024 of \$995,834 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, 2024:

- A developer received rebated sales tax revenue during 2024. 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 constructed a retail store that 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 2024.

#### 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 2023-2024, the City paid the firm \$1,416,458. The City also paid \$2,312,738 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 \$1,483,345.

At June 30, 2024, the City and Authority had outstanding construction commitments of \$1,813,499.

##### *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 into a note payable with a local bank for the purchase of eleven police vehicles. The note principal balance of \$840,089 with interest at 4.66% and is payable over 3 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**

	2023	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)	0.5253%	-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)	\$ (160,423)	\$ (399,003)	\$ (2,478,304)	\$ 606,126	\$ (31,700)	\$ (237,226)	\$ 34,345	\$ 651,577	\$ 17,599
City's covered payroll	\$ 1,984,992	\$ 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	-8.08%	-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	101.02%	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	0.5071%	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	\$ 6,542,608	\$ 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	\$ 1,896,111	\$ 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	345%	395%	204%	405%	342%	378%	442%	437%	353%
Plan fiduciary net position as a percentage of the total pension liability	70.90%	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 nine 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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability									
Service cost	\$ 322,137	\$ 370,728	\$ 321,645	\$ 300,763	\$ 267,272	\$ 276,787	\$ 277,874	\$ 272,267	\$ 260,540
Interest	741,327	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	267,573	(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	(528,389)	(458,497)	(397,923)	(374,567)	(337,002)	(263,734)	(970,417)	(246,981)	(239,706)
Net change in total pension liability	802,648	162,890	801,899	667,342	826,532	629,273	(16,115)	581,241	365,897
Total pension liability - beginning	10,143,774	9,980,884	9,178,985	8,511,643	7,685,111	7,055,838	7,071,953	6,490,712	6,124,815
Total pension liability - ending (a)	<u>\$ 10,946,422</u>	<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	\$ 374,781	\$ 355,284	\$ 341,587	\$ 288,814	\$ 276,791	\$ 260,478	\$ 269,852	\$ 270,267	\$ 224,726
Contributions - member	157,661	149,458	145,092	128,607	123,363	160,670	120,163	120,347	110,884
Net investment income	804,626	(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	(528,389)	(458,497)	(397,923)	(374,567)	(337,002)	(263,734)	(970,417)	(246,981)	(239,706)
Administrative expense	(19,528)	(17,239)	(16,772)	(15,444)	(14,707)	(13,226)	(12,788)	(11,915)	(11,964)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	789,151	(1,228,027)	2,229,293	336,278	530,824	612,605	118,397	189,119	245,946
Plan fiduciary net position - beginning	8,769,068	9,997,095	7,767,802	7,431,524	6,900,700	6,288,095	6,169,698	5,980,579	5,734,633
Plan fiduciary net position - ending (b)	<u>\$ 9,558,219</u>	<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>\$ 1,388,203</u>	<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	87.32%	86.45%	100.16%	84.63%	87.31%	89.79%	89.12%	87.24%	92.14%
Covered payroll	\$ 2,932,456	\$ 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	47.34%	51.14%	-0.59%	57.13%	46.48%	36.20%	34.62%	41.41%	23.98%

**Notes to Schedule:**

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

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>OKLAHOMA POLICE PENSION AND RETIREMENT SYSTEM</b>									
Statutorily required contribution	\$ 284,539	\$ 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>284,539</u>	<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>\$ -</u>	<u>\$ 250</u>	<u>\$ 370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,188,757	\$ 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	13.00%	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	\$ 298,365	\$ 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>298,365</u>	<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>	<u>\$ -</u>
Covered payroll	\$ 2,131,181	\$ 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%	14.00%
<b>OKLAHOMA MUNICIPAL RETIREMENT FUND</b>									
Actuarially determined contribution	\$ 399,111	\$ 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>399,111</u>	<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>\$ -</u>	<u>\$ (9,397)</u>	<u>\$ (60,990)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,198,010	\$ 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%	12.48%	12.36%	12.36%	11.79%	12.03%	11.79%	10.56%

**Notes to Schedule:**

\*Only nine 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, 2024**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Beginning Budgetary Fund Balance:</b>	\$ 7,000,000	\$ 6,140,953	\$ 9,820,729	\$ 3,679,776
Resources (inflows):				
Taxes:				
Sales tax	15,000,000	15,000,000	14,873,805	(126,195)
Use tax	1,800,000	2,695,000	2,690,199	(4,801)
Hotel tax	90,000	100,000	94,645	(5,355)
Franchise tax	919,000	935,400	833,377	(102,023)
Total Taxes	17,809,000	18,730,400	18,492,026	(238,374)
License and Permits:				
Occupational licenses	95,000	95,000	94,191	(809)
Construction permits	170,000	126,500	92,661	(33,839)
Animal license	4,000	5,900	5,713	(187)
Inspection fees	40,000	85,000	57,774	(27,226)
Other permits and licenses	32,500	32,500	23,666	(8,834)
Total Licenses and Permits	341,500	344,900	274,005	(70,895)
Intergovernmental:				
Alcoholic beverage tax	180,000	180,000	168,684	(11,316)
Tobacco tax	110,000	110,000	91,899	(18,101)
Grants	-	19,378	5,427	(13,951)
Gasoline excise tax	40,000	40,000	39,577	(423)
Commercial vehicle fee	160,000	165,000	162,231	(2,769)
911 communication fee	48,000	65,000	64,810	(190)
Total Intergovernmental	538,000	579,378	532,628	(46,750)
Charges for Services:				
Aquatic charges	255,000	285,000	274,177	(10,823)
Concessions	360,000	360,000	353,790	(6,210)
Recreational programs	50,000	43,000	36,966	(6,034)
Ball league and gate fees	65,000	77,000	67,359	(9,641)
Ball and sports merchandise sales	3,000	3,000	1,890	(1,110)
Aerobic fees	50,000	58,000	57,227	(773)
Community center league fees	15,000	13,000	7,200	(5,800)
Room rentals	92,000	91,000	78,184	(12,816)
Personal trainer fees	45,000	48,000	47,435	(565)
Camps - summer and other	103,000	107,000	105,686	(1,314)
Other tournaments	30,000	12,000	11,850	(150)
Vendor fees	2,000	2,000	715	(1,285)
Memberships	310,000	370,000	361,521	(8,479)
Total Charges for Services	1,380,000	1,469,000	1,404,000	(65,000)
Fines and Forfeitures	303,000	323,000	297,555	(25,445)
Miscellaneous:				
Donations	8,000	9,000	8,260	(740)
Miscellaneous	419,500	591,600	562,002	(29,598)
Total Licenses and Permits	427,500	600,600	570,262	(30,338)
Investment Income	125,000	272,000	265,908	(6,092)
Other Financial Sources:				
Transfers In	11,385,000	11,410,748	10,340,399	(1,070,349)
Amounts available for appropriation	\$ 39,309,000	\$ 39,870,979	\$ 41,997,512	\$ 2,126,533

(continued)

**CITY OF MUSTANG  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

Charges to Appropriations (outflows):	(continued)			
Administration:				
Mayor/Council	57,060	113,600	108,322	5,278
City Attorney	264,989	297,111	265,730	31,381
Information Technology	159,415	163,870	157,138	6,732
City Manager	1,012,309	1,071,309	982,217	89,092
Finance	827,139	856,169	808,313	47,856
General Government	1,979,310	1,878,615	1,777,733	100,882
Total Administration	<u>4,300,222</u>	<u>4,380,674</u>	<u>4,099,453</u>	<u>281,221</u>
Culture and Recreation:				
Library	486,583	497,453	481,812	15,641
Parks & Recreation	1,372,730	1,326,985	1,258,642	68,343
Town Center	407,770	402,655	342,697	59,958
Ball Complex	760,830	868,999	714,681	154,318
Aquatic	362,045	416,275	337,198	79,077
Total Culture and Recreation	<u>3,389,958</u>	<u>3,512,367</u>	<u>3,135,030</u>	<u>377,337</u>
Community Development	<u>626,740</u>	<u>668,896</u>	<u>599,311</u>	<u>69,585</u>
Public Safety:				
Police	3,974,760	4,162,185	3,929,592	232,593
Animal Welfare	267,989	291,637	256,408	35,229
Support Services	629,140	618,900	555,329	63,571
Fire	3,519,891	3,656,132	3,467,721	188,411
Total Public Safety	<u>8,391,780</u>	<u>8,728,854</u>	<u>8,209,050</u>	<u>519,804</u>
Street	<u>214,300</u>	<u>230,500</u>	<u>213,314</u>	<u>17,186</u>
Other Financial Uses:				
Transfers to Other Funds	<u>15,386,000</u>	<u>15,447,000</u>	<u>15,312,322</u>	<u>134,678</u>
Total Charges to Appropriations	<u>32,309,000</u>	<u>32,968,291</u>	<u>31,568,480</u>	<u>1,399,811</u>
Fund balances - ending	<u>\$ 7,000,000</u>	<u>\$ 6,902,688</u>	<u>\$ 10,429,032</u>	<u>\$ 3,526,344</u>

**CITY OF MUSTANG  
BUDGETARY COMPARISON SCHEDULE  
MAJOR SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

<b>AMERICAN RESCUE PLAN</b>				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ 3,840,000	\$ 65,104	\$ (3,774,896)
Investment income	150,000	200,000	196,471	(3,529)
Total Revenues	150,000	4,040,000	261,575	(3,778,425)
<b>EXPENDITURES</b>				
Current:				
Capital outlay	1,798,000	1,863,000	65,104	1,797,896
Total Expenditures	1,798,000	1,863,000	65,104	1,797,896
Revenues over (under) expenditures	(1,648,000)	2,177,000	196,471	(1,980,529)
Fund balances - beginning	4,000,000	110,000	97,661	(12,339)
Fund balances - ending	\$ 2,352,000	\$ 2,287,000	\$ 294,132	\$ (1,992,868)

<b>COUNTY ARPA</b>				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,802,612	-	(2,802,612)
Fines and forfeitures	-	-	-	-
License and permits	-	-	-	-
Investment income	\$ -	\$ 110,000	\$ 109,928	\$ (72)
Miscellaneous	-	-	-	-
Total Revenues	-	2,912,612	109,928	(2,802,684)
<b>EXPENDITURES</b>				
Current:				
Capital outlay	-	2,812,612	-	2,812,612
Total Expenditures	-	2,812,612	-	2,812,612
Revenues over (under) expenditures	-	100,000	109,928	9,928
Revenues and other sources over (under) expenditures and other uses	-	100,000	109,928	9,928
Fund balances - beginning	-	1,000	-	(1,000)
Fund balances - ending	\$ -	\$ 101,000	\$ 109,928	\$ 8,928

**CITY OF MUSTANG, OKLAHOMA  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

	<u>General Fund</u>
<b>Sources/inflows of resources</b>	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule.	\$ 41,997,512
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.	(9,820,729)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(10,340,399)
Payments to police and fire pension systems made by the State of Oklahoma are revenues for financial reporting purpose but not budgetary purposes	1,037,247
Accounts combined with the General Fund due to the implementation of GASB Statement 54 are revenues for financial reporting purposes but not budgetary purposes	129,594
<b>Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 23,003,225</u></u>
<b>Uses/outflows of resources</b>	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	31,568,480
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	1,037,247
Account combined with the General Fund due to the implementation of GASB Statement 54 are expenditures for financial reporting purposes but not budgetary purposes	87,107
Other expenditures	
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(15,312,322)
<b>Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds</b>	<u><u>\$ 17,380,512</u></u>



## 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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service cost	\$ 67,491	\$ 98,314	\$ 80,581	\$ 74,092	\$ 53,479	\$ 63,737	\$ 71,567
Interest	47,343	30,557	24,683	34,993	31,540	30,131	23,357
Differences between expected and actual experience	(7,683)	(107,926)	125,080	(43,887)	56,828	10,758	-
Changes in assumptions	(113,405)	(220,966)	72,434	65,213	40,526	(165,261)	(80,584)
Experience Gain/(Loss)	(29,427)	(26,323)	(22,707)	(19,799)	(18,199)	(19,494)	(15,197)
Net change in total OPEB liability	(35,681)	(226,344)	280,071	110,612	164,174	(80,129)	(857)
Total OPEB liability - beginning	1,090,034	1,316,378	1,036,307	925,695	761,521	841,650	842,507
Total OPEB liability - ending	<u>\$ 1,054,353</u>	<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	\$ 6,629,000	\$ 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	15.91%	17.70%	24.10%	18.97%	17.49%	15.85%	17.45%

**Notes to Schedule:**

\* Only seven 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, 2024

	General Fund	General Reserve Fund	Health Reimbursement	Library Fund	Total General Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,857,841	\$ 119,321	\$ 60,638	\$ 82,524	\$ 4,120,324
Investments	4,575,532	314,294	-	-	4,889,826
Due from other governments	2,366,067	-	-	-	2,366,067
Court fines receivable, net	1,047,796	-	-	-	1,047,796
Other receivables	139,075	-	-	-	139,075
Prepaid items	3,099	-	-	-	3,099
Inventories	60,383	-	-	134	60,517
Total assets	<u>\$ 12,049,793</u>	<u>\$ 433,615</u>	<u>\$ 60,638</u>	<u>\$ 82,658</u>	<u>\$ 12,626,704</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 432,391	\$ -	\$ -	\$ 5,967	\$ 438,358
Accrued liabilities	225,020	-	25,043	-	250,063
Amounts held in escrow	27,855	-	-	-	27,855
Total liabilities	<u>685,266</u>	<u>-</u>	<u>25,043</u>	<u>5,967</u>	<u>716,276</u>
<b>DEFERRED INFLOWS</b>					
Unavailable revenue	<u>970,858</u>	<u>-</u>	<u>-</u>	<u>35,494</u>	<u>1,006,352</u>
Fund balances:					
Nonspendable	63,482	-	-	134	63,616
Assigned	-	-	35,595	-	35,595
Unassigned	10,330,187	433,615	-	41,063	10,804,865
Total fund balances	<u>10,393,669</u>	<u>433,615</u>	<u>35,595</u>	<u>41,197</u>	<u>10,904,076</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 12,049,793</u>	<u>\$ 433,615</u>	<u>\$ 60,638</u>	<u>\$ 82,658</u>	<u>\$ 12,626,704</u>

City of Mustang  
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
General Fund Accounts  
For the Year Ended June 30, 2024

	General Fund	General Reserve Fund	Health Reimbursement	Library Fund	Total General Fund
<b>REVENUES</b>					
Taxes	\$ 18,492,026	\$ -	\$ -	\$ -	\$ 18,492,026
Intergovernmental	1,569,875	-	-	39,793	1,609,668
Charges for services	1,404,001	-	-	1,626	1,405,627
Fines and forfeitures	335,992	-	-	3,840	339,832
Licenses and permits	274,006	-	-	-	274,006
Investment income	291,826	15,211	1,765	2,411	311,213
Miscellaneous	564,250	-	-	6,603	570,853
Total revenues	<u>22,931,976</u>	<u>15,211</u>	<u>1,765</u>	<u>54,273</u>	<u>23,003,225</u>
<b>EXPENDITURES</b>					
Current:					
Administration	4,084,208	-	20,259	-	4,104,467
Culture and recreation	3,089,619	-	-	44,833	3,134,452
Community development	599,311	-	-	-	599,311
Public safety	9,237,000	-	-	-	9,237,000
Streets and drainage	213,315	-	-	-	213,315
Capital outlay	55,481	-	-	5,097	60,578
Debt service:					
Principal	30,670	-	-	-	30,670
Interest and fiscal charges	719	-	-	-	719
Total expenditures	<u>17,310,323</u>	<u>-</u>	<u>20,259</u>	<u>49,930</u>	<u>17,380,512</u>
Excess (deficiency) of revenues over expenditures	<u>5,621,653</u>	<u>15,211</u>	<u>(18,494)</u>	<u>4,343</u>	<u>5,622,713</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	10,335,451	-	-	-	10,335,451
Transfers out	(15,190,231)	-	-	-	(15,190,231)
Transfers in - interaccount	4,948	94,645	50,000	-	149,593
Transfers out - interaccount	(144,645)	-	-	(4,948)	(149,593)
Total other financing sources and uses	<u>(4,994,477)</u>	<u>94,645</u>	<u>50,000</u>	<u>(4,948)</u>	<u>(4,854,780)</u>
Net change in fund balances	627,176	109,856	31,506	(605)	767,933
Fund balances - beginning	9,766,493	323,759	4,089	41,802	10,136,143
Fund balances - ending	<u>\$ 10,393,669</u>	<u>\$ 433,615</u>	<u>\$ 35,595</u>	<u>\$ 41,197</u>	<u>\$ 10,904,076</u>

City of Mustang  
Budgetary Comparison Schedule  
General Fund Accounts  
For the Year Ended June 30, 2024

	General Reserve				Health Reimbursement				Library			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>												
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,409	\$ 39,793	\$ (35,616)
Charges for services	-	-	-	-	-	-	-	-	2,000	2,000	1,626	(374)
Fines and forfeitures	-	-	-	-	-	-	-	-	4,000	4,000	3,840	(160)
Investment income	15,000	15,250	15,211	(39)	300	1,850	1,765	(85)	1,500	2,500	2,411	(89)
Miscellaneous	-	-	-	-	4,000	4,000	-	(4,000)	7,000	7,000	6,603	(397)
Total Revenues	15,000	15,250	15,211	(39)	4,300	5,850	1,765	(4,085)	14,500	90,909	54,273	(36,636)
<b>EXPENDITURES</b>												
Current:												
Administration	6,000	6,000	-	6,000	-	21,000	20,259	741	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	22,000	80,901	49,930	30,971
Total Expenditures	6,000	6,000	-	6,000	-	21,000	20,259	741	22,000	80,901	49,930	30,971
Revenues over (under) expenditures	9,000	9,250	15,211	5,961	4,300	(15,150)	(18,494)	(3,344)	(7,500)	10,008	4,343	(5,665)
<b>OTHER FINANCING SOURCES (USES)</b>												
Transfers in	90,000	95,000	94,645	(355)	-	50,000	50,000	-	-	-	-	-
Transfers out	(150,000)	(150,000)	-	150,000	(4,000)	(4,000)	-	4,000	-	(4,960)	(4,948)	12
Total other financing sources (uses)	(60,000)	(55,000)	94,645	149,645	(4,000)	46,000	50,000	4,000	-	(4,960)	(4,948)	12
Revenues and other sources over (under) expenditures and other uses	(51,000)	(45,750)	109,856	155,606	300	30,850	31,506	656	(7,500)	5,048	(605)	(5,653)
Fund balances - beginning	325,000	319,750	323,759	4,009	10,000	8,450	4,089	(4,361)	45,000	33,460	41,802	8,342
Fund balances - ending	\$ 274,000	\$ 274,000	\$ 433,615	\$ 159,615	\$ 10,300	\$ 39,300	\$ 35,595	\$ (3,705)	\$ 37,500	\$ 38,508	\$ 41,197	\$ 2,689



City of Mustang  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024

	SPECIAL REVENUE										DEBT SERVICE	CAPITAL PROJECTS		
	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	Total Nonmajor Governmental Funds
ASSETS														
Cash and cash equivalents	\$ 26,834	\$ 11,214	\$ 80,739	\$ 107,353	\$ 94,643	\$ 615,264	\$ 86,120	\$ 1,000	\$ 58,123	\$ 28,764	\$ 29,189	\$ 26,572	\$ 1,003,864	\$ 2,169,679
Investments	5,565	-	-	-	-	429,493	-	-	-	-	101,067	62,313	2,921,263	3,519,701
Receivables:														
Due from other governments	-	-	-	-	-	-	-	-	-	-	-	44,690	-	44,690
Other receivables	-	-	-	-	-	2,731	-	-	-	-	121,313	-	-	124,044
Prepaid expenses	379	-	-	-	-	-	-	-	-	-	-	-	-	379
Total assets	<u>\$ 32,778</u>	<u>\$ 11,214</u>	<u>\$ 80,739</u>	<u>\$ 107,353</u>	<u>\$ 94,643</u>	<u>\$ 1,047,488</u>	<u>\$ 86,120</u>	<u>\$ 1,000</u>	<u>\$ 58,123</u>	<u>\$ 28,764</u>	<u>\$ 251,569</u>	<u>\$ 133,575</u>	<u>\$ 3,925,127</u>	<u>\$ 5,858,493</u>
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts payable	\$ 1,170	\$ -	\$ -	\$ 952	\$ 3,897	\$ 68,780	\$ 4,983	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,611	\$ 82,393
Total liabilities	<u>1,170</u>	<u>-</u>	<u>-</u>	<u>952</u>	<u>3,897</u>	<u>68,780</u>	<u>4,983</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,611</u>	<u>82,393</u>
DEFERRED INFLOWS														
Unavailable revenue	-	-	-	-	-	-	-	-	-	-	121,313	43,126	-	164,439
Fund balances:														
Nonspendable	379	-	-	-	-	-	-	-	-	-	-	-	-	379
Restricted	31,229	11,214	80,739	106,401	-	-	81,137	-	58,123	28,764	130,256	90,449	-	618,312
Committed	-	-	-	-	90,746	978,708	-	1,000	-	-	-	-	3,922,516	4,992,970
Total fund balances	<u>31,608</u>	<u>11,214</u>	<u>80,739</u>	<u>106,401</u>	<u>90,746</u>	<u>978,708</u>	<u>81,137</u>	<u>1,000</u>	<u>58,123</u>	<u>28,764</u>	<u>130,256</u>	<u>90,449</u>	<u>3,922,516</u>	<u>5,611,661</u>
Total liabilities deferred inflows, and fund balances	<u>\$ 32,778</u>	<u>\$ 11,214</u>	<u>\$ 80,739</u>	<u>\$ 107,353</u>	<u>\$ 94,643</u>	<u>\$ 1,047,488</u>	<u>\$ 86,120</u>	<u>\$ 1,000</u>	<u>\$ 58,123</u>	<u>\$ 28,764</u>	<u>\$ 251,569</u>	<u>\$ 133,575</u>	<u>\$ 3,925,127</u>	<u>\$ 5,858,493</u>

City of Mustang  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE										DEBT SERVICE	CAPITAL PROJECTS		
	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	Total Nonmajor Governmental Funds
REVENUES														
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 265,825	\$ -	\$ 265,825
Intergovernmental	-	-	-	-	-	103,561	-	-	-	-	-	-	-	103,561
Licenses and permits	-	-	-	-	4,950	-	-	-	-	-	-	-	-	4,950
Fines and forfeitures	36,458	1,110	24,500	44,296	-	-	-	-	11,771	14,642	-	-	-	132,777
Investment income	812	373	2,371	2,970	2,725	29,976	2,278	-	2,112	791	-	-	153,153	197,561
Miscellaneous	-	-	-	-	-	6,156	61,913	-	-	-	95,950	-	-	164,019
Total revenues	37,270	1,483	26,871	47,266	7,675	139,693	64,191	-	13,883	15,433	95,950	265,825	153,153	868,693
EXPENDITURES														
Current:														
General government	-	-	-	-	-	-	-	-	-	-	-	-	296	296
Public safety	37,257	264	6,000	43,599	-	-	-	-	14,920	-	-	-	-	102,040
Highways and roads	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	45,780	-	-	-	-	-	-	45,780
Capital Outlay	-	-	-	-	45,021	892,288	-	-	-	-	-	-	122,824	1,060,133
Debt Service:														
Principal	-	-	-	-	-	-	-	-	-	-	-	255,000	-	255,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	26,944	-	26,944
Total Expenditures	37,257	264	6,000	43,599	45,021	892,288	45,780	-	14,920	-	-	281,944	123,120	1,490,193
Excess (deficiency) of revenues over expenditures	13	1,219	20,871	3,667	(37,346)	(752,595)	18,411	-	(1,037)	15,433	95,950	(16,119)	30,033	(621,500)
OTHER FINANCING SOURCES (USES)														
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	43,733	559,291	-	372,060	-	-	-	-	1,121,239	2,096,323
Transfers out	-	-	-	-	-	-	-	(385,462)	-	(8,800)	-	-	-	(394,262)
Total other financing sources	-	-	-	-	43,733	559,291	-	(13,402)	-	(8,800)	-	-	1,121,239	1,702,061
Net change in fund balances	13	1,219	20,871	3,667	6,387	(193,304)	18,411	(13,402)	(1,037)	6,633	95,950	(16,119)	1,151,272	1,080,561
Fund balances - beginning	31,595	9,995	59,868	102,734	84,359	1,172,012	62,726	14,402	59,160	22,131	34,306	106,568	2,771,244	4,531,100
Fund balances - ending	\$ 31,608	\$ 11,214	\$ 80,739	\$ 106,401	\$ 90,746	\$ 978,708	\$ 81,137	\$ 1,000	\$ 58,123	\$ 28,764	\$ 130,256	\$ 90,449	\$ 3,922,516	\$ 5,611,661

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	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	40,000	40,000	36,458	(3,542)	2,000	2,000	1,110	(890)
License and permits	-	-	-	-	-	-	-	-
Investment income	600	900	812	(88)	250	750	373	(377)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	40,600	40,900	37,270	(3,630)	2,250	2,750	1,483	(1,267)
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	63,940	63,940	37,257	26,683	4,000	4,000	264	3,736
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	63,940	63,940	37,257	26,683	4,000	4,000	264	3,736
Revenues over (under) expenditures	(23,340)	(23,040)	13	23,053	(1,750)	(1,250)	1,219	2,469
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	(23,340)	(23,040)	13	23,053	(1,750)	(1,250)	1,219	2,469
Fund balances - beginning	30,000	29,700	31,595	1,895	12,000	11,500	9,995	(1,505)
Fund balances - ending	\$ 6,660	\$ 6,660	\$ 31,608	\$ 24,948	\$ 10,250	\$ 10,250	\$ 11,214	\$ 964

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE-IMPOUND FEE				SPECIAL REVENUE-POLICE TECHNOLOGY			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	25,000	30,000	24,500	(5,500)	45,000	45,000	44,296	(704)
License and permits	-	-	-	-	-	-	-	-
Investment income	1,000	2,600	2,371	(229)	2,000	3,500	2,970	(530)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	26,000	32,600	26,871	(5,729)	47,000	48,500	47,266	(1,234)
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	14,500	22,000	6,000	16,000	86,533	91,586	43,599	47,987
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	14,500	22,000	6,000	16,000	86,533	91,586	43,599	47,987
Revenues over (under) expenditures	11,500	10,600	20,871	10,271	(39,533)	(43,086)	3,667	46,753
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	11,500	10,600	20,871	10,271	(39,533)	(43,086)	3,667	46,753
Fund balances - beginning	60,000	53,400	59,868	6,468	105,000	103,500	102,734	(766)
Fund balances - ending	\$ 71,500	\$ 64,000	\$ 80,739	\$ 16,739	\$ 65,467	\$ 60,414	\$ 106,401	\$ 45,987

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE-PARK IMPROVEMENTS				SPECIAL REVENUE-STREET IMPROVEMENT			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	150,000	103,561	(46,439)
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	15,000	15,000	4,950	(10,050)	-	-	-	-
Investment income	2,000	3,000	2,725	(275)	12,000	37,000	29,976	(7,024)
Miscellaneous	-	-	-	-	-	6,210	6,156	(54)
Total Revenues	17,000	18,000	7,675	(10,325)	12,000	193,210	139,693	(53,517)
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	593,046	1,236,341	892,288	344,053
Capital outlay	57,000	60,403	45,021	15,382	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	57,000	60,403	45,021	15,382	593,046	1,236,341	892,288	344,053
Revenues over (under) expenditures	(40,000)	(42,403)	(37,346)	5,057	(581,046)	(1,043,131)	(752,595)	290,536
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	56,000	56,000	43,733	(12,267)	504,000	904,000	559,291	(344,709)
Transfers out	-	-	-	-	(152,225)	-	-	-
Total other financing sources (uses)	56,000	56,000	43,733	(12,267)	351,775	904,000	559,291	(344,709)
Revenues and other sources over (under) expenditures and other uses	16,000	13,597	6,387	(7,210)	(229,271)	(139,131)	(193,304)	(54,173)
Fund balances - beginning	70,000	92,403	84,359	(8,044)	1,000,000	898,790	1,172,012	273,222
Fund balances - ending	\$ 86,000	\$ 106,000	\$ 90,746	\$ (15,254)	\$ 770,729	\$ 759,659	\$ 978,708	\$ 219,049

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE-PARK DONATION FUND				SPECIAL REVENUE-PERSONAL SERVICE 10%			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental				-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-
Investment income	2,000	2,500	2,278	(222)	-	-	-	-
Miscellaneous	50,200	70,500	61,913	(8,587)	-	-	-	-
Total Revenues	52,200	73,000	64,191	(8,809)	-	-	-	-
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-			-	-
Culture and recreation	25,200	89,357	45,780	43,577	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	25,200	89,357	45,780	43,577	-	-	-	-
Revenues over (under) expenditures	27,000	(16,357)	18,411	34,768	-	-	-	-
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	400,000	400,000	372,060	(27,940)
Transfers out	-	-	-	-	(413,600)	(413,600)	(385,462)	28,138
Total other financing sources (uses)	-	-	-	-	(13,600)	(13,600)	(13,402)	198
Revenues and other sources over (under) expenditures and other uses	27,000	(16,357)	18,411	34,768	(13,600)	(13,600)	(13,402)	198
Fund balances - beginning	60,000	48,004	62,726	14,722	100,000	100,000	14,402	(85,598)
Fund balances - ending	\$ 87,000	\$ 31,647	\$ 81,137	\$ 49,490	\$ 86,400	\$ 86,400	\$ 1,000	\$ (85,400)

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE-NARCOTICS ENFORCEMENT				SPECIAL REVENUE-JUVENILE			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	12,000	12,000	11,771	(229)	12,000	23,000	14,642	(8,358)
License and permits	-	-	-	-	-	-	-	-
Investment income	1,200	2,400	2,112	(288)	1,000	1,000	791	(209)
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	13,200	14,400	13,883	(517)	13,000	24,000	15,433	(8,567)
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	33,420	37,090	14,920	22,170	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Total Expenditures	33,420	37,090	14,920	22,170	-	-	-	-
Revenues over (under) expenditures	(20,220)	(22,690)	(1,037)	21,653	13,000	24,000	15,433	(8,567)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(6,000)	(9,000)	(8,800)	200
Total other financing sources (uses)	-	-	-	-	(6,000)	(9,000)	(8,800)	200
Revenues and other sources over (under) expenditures and other uses	(20,220)	(22,690)	(1,037)	21,653	7,000	15,000	6,633	(8,367)
Fund balances - beginning	60,000	58,800	59,160	360	28,000	17,000	22,131	5,131
Fund balances - ending	\$ 39,780	\$ 36,110	\$ 58,123	\$ 22,013	\$ 35,000	\$ 32,000	\$ 28,764	\$ (3,236)



City of Mustang  
Budgetary Comparison Schedule  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024

	SPECIAL REVENUE-OPIOID SETTLEMENT				DEBT SERVICE SINKING FUND			
	Budgeted Amounts		Actual	Variance with	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget	Original	Final	Amounts	Final Budget
				Positive (Negative)				Positive (Negative)
<b>REVENUES</b>								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 283,000	\$ 283,500	\$ 265,825	\$ (17,675)
Intergovernmental	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-
Investment income	5,000	5,000	-	(5,000)	3,000	8,800	-	(8,800)
Miscellaneous	10,000	98,000	95,950	(2,050)	-	-	-	-
Total Revenues	15,000	103,000	95,950	(7,050)	286,000	292,300	265,825	(26,475)
<b>EXPENDITURES</b>								
Current:								
Administration	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	281,950	281,944	281,944	-
Total Expenditures	-	-	-	-	281,950	281,944	281,944	-
Revenues over (under) expenditures	15,000	103,000	95,950	(7,050)	4,050	10,356	(16,119)	(26,475)
<b>OTHER FINANCING SOURCES (USES)</b>								
Proceeds from issuance of debt	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Revenues and other sources over (under) expenditures and other uses	15,000	103,000	95,950	(7,050)	4,050	10,356	(16,119)	(26,475)
Fund balances - beginning	100,000	12,000	34,306	22,306	200,000	193,700	106,568	(87,132)
Fund balances - ending	\$ 115,000	\$ 115,000	\$ 130,256	\$ 15,256	\$ 204,050	\$ 204,056	\$ 90,449	\$ (113,607)

City of Mustang  
Budgetary Comparison Schedule  
Nonmajor and Major Governmental Fund  
For the Year Ended June 30, 2024

	CAPITAL PROJECTS-CAPITAL EXCESS				CAPITAL PROJECTS-CAPITAL 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	-	-	-	-	-	870,000	869,836	(164)
Fines and forfeitures	-	-	-	-	-	-	-	-
License and permits	-	-	-	-	-	-	-	-
Investment income	60,000	170,000	153,153	(16,847)	150,000	200,000	187,963	(12,037)
Miscellaneous	-	-	-	-	240,000	265,000	264,122	(878)
Total Revenues	60,000	170,000	153,153	(16,847)	390,000	1,335,000	1,321,921	(13,079)
<b>EXPENDITURES</b>								
Current:								
Administration	500	500	296	204	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community development	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Streets and drainage	-	-	-	-	-	-	-	-
Capital outlay	300,000	145,433	122,824	22,609	1,592,967	3,982,788	2,551,079	1,431,709
Debt service	-	-	-	-	671,599	720,872	1,453,815	(732,943)
Total Expenditures	300,500	145,933	123,120	22,813	2,264,566	4,703,660	4,004,894	698,766
Revenues over (under) expenditures	(240,500)	24,067	30,033	5,966	(1,874,566)	(3,368,660)	(2,682,973)	685,687
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of long-term debt	-	-	-	-	-	-	737,842	737,842
Transfers in	1,122,000	1,122,000	1,121,239	(761)	2,515,000	2,515,000	2,479,207	(35,793)
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,122,000	1,122,000	1,121,239	(761)	2,515,000	2,515,000	3,217,049	702,049
Revenues and other sources over (under) expenditures and other uses	881,500	1,146,067	1,151,272	5,205	640,434	(853,660)	534,076	1,387,736
Fund balances - beginning	2,700,000	2,890,000	2,771,244	(118,756)	3,700,000	4,269,892	4,591,746	321,854
Fund balances - ending	\$ 3,581,500	\$ 4,036,067	\$ 3,922,516	\$ (113,551)	\$ 4,340,434	\$ 3,416,232	\$ 5,125,822	\$ 1,709,590

City of Mustang  
Statement of Net Position  
Combining Schedule of Accounts of the MIA  
June 30, 2024

	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	\$ 4,321,062	\$ 882,715	\$ 42,460	\$ -	\$ -	\$ -	\$ -	\$ 1,250	\$ 5,247,487
Restricted cash and cash equivalents	2,966,051	-	71,714	405,534	364,266	107,463	13,911	42,304	3,971,243
Investments	5,830,256	-	923,275	-	-	-	-	-	6,753,531
Restricted investments	-	-	-	-	-	-	-	531,476	531,476
Accounts receivable, net	1,310,494	-	-	-	-	-	-	-	1,310,494
Due from other governments	140,156	-	-	-	-	-	-	-	140,156
Inventory	46,022	-	-	-	-	-	-	-	46,022
Total current assets	14,614,041	882,715	1,037,449	405,534	364,266	107,463	13,911	575,030	18,000,409
Non-current assets:									
Land and construction in progress	2,484,230	-	-	-	-	-	-	-	2,484,230
Other capital assets, net of depreciation	35,537,336	-	-	-	-	-	-	-	35,537,336
Total non-current assets	38,021,566	-	-	-	-	-	-	-	38,021,566
Total assets	52,635,607	882,715	1,037,449	405,534	364,266	107,463	13,911	575,030	56,021,975
<b>DEFERRED OUTFLOW OF RESOURCES:</b>									
Unamortized asset retirement obligation	2,539,800	-	-	-	-	-	-	-	2,539,800
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable	737,049	36,180	-	-	-	-	-	-	773,229
Accrued interest payable	-	-	11,320	52,387	52,160	2,447	6,451	-	124,765
Refundable deposits	-	-	-	-	-	-	-	57,503	57,503
Notes payable, current portion	-	-	223,746	1,035,000	920,000	1,080,000	70,000	-	3,328,746
Total current liabilities	737,049	36,180	235,066	1,087,387	972,160	1,082,447	76,451	57,503	4,284,243
Non-current liabilities:									
Deposits subject to refund	-	-	-	-	-	-	-	517,527	517,527
Asset retirement obligation	2,765,560	-	-	-	-	-	-	-	2,765,560
Notes payable	-	-	1,218,743	6,155,000	5,520,000	1,095,000	3,706,000	-	17,694,743
Total non-current liabilities	2,765,560	-	1,218,743	6,155,000	5,520,000	1,095,000	3,706,000	517,527	20,977,830
Total liabilities	3,502,609	36,180	1,453,809	7,242,387	6,492,160	2,177,447	3,782,451	575,030	25,262,073
<b>NET POSITION</b>									
Net investment in capital assets	40,987,617	-	(1,442,489)	(7,190,000)	(6,440,000)	(2,175,000)	(3,776,000)	-	19,964,128
Restricted for debt service	-	-	60,394	353,147	312,106	105,016	7,460	-	838,123
Unrestricted	10,685,181	846,535	965,735	-	-	-	-	-	12,497,451
Total net position	\$ 51,672,798	\$ 846,535	\$ (416,360)	\$ (6,836,853)	\$ (6,127,894)	\$ (2,069,984)	\$ (3,768,540)	\$ -	\$ 33,299,702

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, 2024

	Mustang Improvement Authority	MIA Reserve	Sewer Impact	2016 Revenue Note	2017 Revenue Note	2020 A Revenue Note	2020 Revenue Note	Utility Deposit	Total Mustang Improvement Authority
<b>REVENUES</b>									
Charges for Service:									
Water charges	\$ 4,565,828	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,565,828
Sewer charges	2,564,843	-	-	-	-	-	-	-	2,564,843
Installations and connections	37,145	-	-	-	-	-	-	-	37,145
Penalties	181,147	-	-	-	-	-	-	-	181,147
Sanitation charges	2,900,768	-	-	-	-	-	-	-	2,900,768
Ambulance assessment	390,315	-	-	-	-	-	-	-	390,315
Sewer impact fees	-	-	28,000	-	-	-	-	-	28,000
Grant revenue	612,221	-	-	-	-	-	-	-	612,221
Other	756,496	-	-	-	-	-	-	-	756,496
Total operating revenues	12,008,763	-	28,000	-	-	-	-	-	12,036,763
<b>OPERATING EXPENSES</b>									
Cost of goods sold	916,077	-	-	-	-	-	-	-	916,077
Operations and maintenance	5,429,303	393,223	-	-	-	-	-	-	5,822,526
Depreciation expense	1,598,186	-	-	-	-	-	-	-	1,598,186
Total operating expenses	7,943,566	393,223	-	-	-	-	-	-	8,336,789
Operating income (loss)	4,065,197	(393,223)	28,000	-	-	-	-	-	3,699,974
<b>NON-OPERATING REVENUES (EXPENSES)</b>									
Investment income	616,728	36,994	51,688	15,960	14,335	15,216	2,008	-	752,929
Miscellaneous	28	-	-	-	-	-	-	-	28
Interest expense and fiscal charges	(750)	-	(38,897)	(165,583)	(164,740)	(40,970)	(80,365)	-	(491,305)
Capital assets purchased for governmental activities	(75,985)	-	-	-	-	-	-	-	(75,985)
Total non-operating revenue (expenses)	540,021	36,994	12,791	(149,623)	(150,405)	(25,754)	(78,357)	-	185,667
Net income (loss) before contributions and transfers	4,605,218	(356,229)	40,791	(149,623)	(150,405)	(25,754)	(78,357)	-	3,885,641
Capital contributions	867,882	-	-	-	-	-	-	-	867,882
Capital asset transfers from governmental	1,092,118	-	-	-	-	-	-	-	1,092,118
Transfers in - interaccount	227,884	453,249	258,228	1,173,371	1,053,925	1,098,803	148,496	-	4,413,956
Transfers out - interaccount	(4,186,072)	(127,884)	(100,000)	-	-	-	-	-	(4,413,956)
Transfers in	14,882,379	-	-	-	-	-	-	-	14,882,379
Transfers out	(14,208,867)	-	-	-	-	-	-	-	(14,208,867)
Change in net position	3,280,542	(30,864)	199,019	1,023,748	903,520	1,073,049	70,139	-	6,519,153
Total net position - beginning	48,392,256	877,399	(615,379)	(7,860,601)	(7,031,414)	(3,143,033)	(3,838,679)	-	26,780,549
Total net position - ending	\$ 51,672,798	\$ 846,535	\$ (416,360)	\$ (6,836,853)	\$ (6,127,894)	\$ (2,069,984)	\$ (3,768,540)	\$ -	\$ 33,299,702

City of Mustang  
Statement of Cash Flows  
Combining Schedule Accounts of the Mustang Improvement Authority (MIA)  
For the Year Ended June 30, 2024

Accounts of the Mustang Improvement Authority									
	Mustang Improvement Authority (MIA)	MIA Reserve	Sewer Impact	2016 Revenue Note	2017 Revenue Note	2020 A Revenue Note	2020 Revenue Note	Utility Deposits	Total Mustang Improvement Authority
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 11,830,098	\$ -	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,858,098
Payments to suppliers	(6,226,477)	(373,247)	-	-	-	-	-	-	(6,599,724)
Receipts of customer meter deposits	-	-	-	-	-	-	-	117,270	117,270
Refunds of customer meter deposits	-	-	-	-	-	-	-	(104,550)	(104,550)
Interfund receipts/payments	(34,947)	34,947	-	-	-	-	-	-	-
<b>Net cash provided by (used in) operating activities</b>	<b>5,568,674</b>	<b>(338,300)</b>	<b>28,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,720</b>	<b>5,271,094</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Assets purchased for and transferred to governmental activities	(75,985)	-	-	-	-	-	-	-	(75,985)
Transfers from other funds	14,882,379	-	-	-	-	-	-	-	14,882,379
Transfers to other funds	(14,208,867)	-	-	-	-	-	-	-	(14,208,867)
Transfers from other funds - interaccount	100,000	453,249	258,228	1,173,371	1,053,925	1,098,803	148,496	-	4,286,072
Transfers to other funds - interaccount	(4,186,072)	-	(100,000)	-	-	-	-	-	(4,286,072)
<b>Net cash provided by (used in) noncapital financing activities</b>	<b>(3,488,545)</b>	<b>453,249</b>	<b>158,228</b>	<b>1,173,371</b>	<b>1,053,925</b>	<b>1,098,803</b>	<b>148,496</b>	<b>-</b>	<b>597,527</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Purchases of capital assets	(1,791,608)	(127,884)	-	-	-	-	-	-	(1,919,492)
Principal paid on debt	-	-	(217,387)	(1,015,000)	(895,000)	(1,066,000)	(70,000)	-	(3,263,387)
Interest and fiscal agent fees paid on debt	(750)	-	(40,840)	(172,979)	(171,989)	(42,169)	(80,484)	-	(509,211)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,792,358)</b>	<b>(127,884)</b>	<b>(258,227)</b>	<b>(1,187,979)</b>	<b>(1,066,989)</b>	<b>(1,108,169)</b>	<b>(150,484)</b>	<b>-</b>	<b>(5,692,090)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
Purchase of investments	(1,543,832)	-	(44,528)	-	-	-	-	(21,673)	(1,610,033)
Interest and dividends	616,728	36,994	51,688	15,960	14,335	15,216	2,008	-	732,929
<b>Net cash provided by (used in) investing activities</b>	<b>(927,104)</b>	<b>36,994</b>	<b>7,160</b>	<b>15,960</b>	<b>14,335</b>	<b>15,216</b>	<b>2,008</b>	<b>(21,673)</b>	<b>(857,104)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(639,333)</b>	<b>24,059</b>	<b>(64,839)</b>	<b>1,352</b>	<b>1,271</b>	<b>5,850</b>	<b>20</b>	<b>(8,953)</b>	<b>(680,573)</b>
<b>Balances - beginning 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>
<b>Balances - end of year</b>	<b>\$ 7,287,113</b>	<b>\$ 882,715</b>	<b>\$ 114,174</b>	<b>\$ 405,534</b>	<b>\$ 364,266</b>	<b>\$ 107,463</b>	<b>\$ 13,911</b>	<b>\$ 43,554</b>	<b>\$ 9,218,730</b>
<b>Reconciliation to Statement of Net Position:</b>									
Cash and cash equivalents	\$ 4,321,062	\$ 882,715	\$ 42,460	\$ -	\$ -	\$ -	\$ -	\$ 1,250	\$ 5,247,487
Restricted cash and cash equivalents - current	2,966,051	-	71,714	405,534	364,266	107,463	13,911	42,304	3,971,243
Total cash and cash equivalents, end of year	<b>\$ 7,287,113</b>	<b>\$ 882,715</b>	<b>\$ 114,174</b>	<b>\$ 405,534</b>	<b>\$ 364,266</b>	<b>\$ 107,463</b>	<b>\$ 13,911</b>	<b>\$ 43,554</b>	<b>\$ 9,218,730</b>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>									
Operating income (loss)	\$ 4,065,197	\$ (393,223)	\$ 28,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,699,974
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation expense	1,598,186	-	-	-	-	-	-	-	1,598,186
Amortization expense	56,440	-	-	-	-	-	-	-	56,440
Miscellaneous revenue	28	-	-	-	-	-	-	-	28
Change in assets and liabilities:									
Due from other funds - interaccount	-	34,947	-	-	-	-	-	-	34,947
Due to other funds - interaccount	(34,947)	-	-	-	-	-	-	-	(34,947)
Accounts receivable	(122,048)	-	-	-	-	-	-	-	(122,048)
Other receivable	(56,645)	-	-	-	-	-	-	-	(56,645)
Inventory	10,996	-	-	-	-	-	-	-	10,996
Accounts payable	51,467	19,976	-	-	-	-	-	-	71,443
Deposits subject to refund	-	-	-	-	-	-	-	12,720	12,720
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 5,568,674</b>	<b>\$ (338,300)</b>	<b>\$ 28,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 12,720</b>	<b>\$ 5,271,094</b>
<b>Noncash activities:</b>									
Contributed capital assets	\$ 867,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 867,882
Capital assets transferred from accounts of the MIA - interaccount	127,884	-	-	-	-	-	-	-	127,884
Capital asset transferred from governmental activities	1,092,117	-	-	-	-	-	-	-	1,092,117
<b>Total Noncash activities</b>	<b>\$ 2,087,883</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,087,883</b>

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

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	2022	\$ 3,040	\$ 2,250
Bulletproof Vest Partnership Program	16.607	2023	7,322	3,177
Total US Department of Justice			10,362	5,427
Institute of Museum and Library Services:				
Passed through the Oklahoma Department of Libraries:				
Grants to States	45.310		8,840	8,422
			8,840	8,422
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
Passed through Oklahoma Department of Transportation:				
Highway Planning and Construction	20.205	27901 (06) STP-209C(083)UT	759,960	756,960
<u>U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
Passed through Oklahoma Department of Commerce:				
Community Development Block Grant	14.228	17981 CDBG 20	152,225	100,830
Total U.S. Department of Housing and Urban Development				
<u>U. S. DEPARTMENT OF THE TREASURY:</u>				
American Rescue Plan	21.027	ARPA	4,028,919	65,104
Total US Department of the Treasury			4,028,919	65,104
<b>TOTAL FEDERAL AWARDS</b>			\$ 4,960,306	\$ 936,743

**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, 2024. 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.

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## ***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									
	2024	2023	2022	2021	2020	2019	2018 (3)	2017	2016	2015 (2)
<b>Governmental Activities:</b>										
Net investment in capital assets	\$ 43,713,208	\$ 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
Restricted for (by):										
Enabling legislation	-	629,841	287,392	241,328	193,876	184,337	189,032	203,458	216,775	240,457
External Contracts	-	398,737	151,681	162,461	-	-	-	-	-	154,257
Public Safety	447,105	-	-	-	-	-	-	-	-	-
Culture and Recreation	81,137	-	-	-	-	-	-	-	-	-
Debt Service	64,280	-	-	-	-	-	-	-	-	-
Unrestricted	17,517,689	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
Total Governmental Activities Net Position	61,823,419	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
<b>Business-type Activities:</b>										
Net investment in capital assets	19,964,128	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
Restricted for:										
Debt Service	838,123	808,643	761,070	761,047	918,536	699,476	671,739	1,297,995	7,512,667	8,074,593
Unrestricted	12,497,451	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)
Total Business-type Activities Net Position	33,299,702	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
<b>Primary Government:</b>										
Net investment in capital assets	63,677,336	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
Restricted for:										
Enabling legislation	-	629,841	287,392	241,328	193,876	184,337	189,032	203,458	216,775	240,457
External Contracts	-	398,737	151,681	162,461	-	-	-	-	-	154,257
Public Safety	447,105	-	-	-	-	-	-	-	-	-
Culture and Recreation	81,137	-	-	-	-	-	-	-	-	-
Debt Service	902,403	808,643	761,070	761,047	918,536	699,476	671,739	1,297,995	7,512,667	8,074,593
Unrestricted	30,015,140	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
Total Primary Government Net Position (1)	\$ 95,123,121	\$ 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

(1) See Table 2 for changes in net position from year to year.

(2) The City implemented GASB 68 in FY2015 (Accounting and Reporting for Pensions)

(3) 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Expenses</b>										
<i>Governmental Activities:</i>										
Administration	\$ 5,317,814	\$ 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
Culture and recreation:	4,344,338	4,308,256	3,994,653	3,812,935	3,651,393	3,618,650	3,564,770	3,567,937	3,228,708	2,990,411
Community Development	616,539	646,926	489,358	541,674	522,978	501,522	510,685	610,420	495,420	459,637
Public safety	9,561,060	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
Streets and Drainage	3,469,861	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
Interest on long-term debt	86,093	88,153	96,690	93,987	59,819	53,550	48,825	51,042	62,404	70,400
Total governmental activities expenses	23,395,705	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
<i>Business-type activities:</i>										
Water operations	4,437,396	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
Wastewater operations	2,268,449	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
Solid waste operations	1,514,586	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
Ambulance	277,340	276,853	201,608	141,036	138,148	134,176	197,112	155,336	147,636	157,704
Interest on general long-term debt for governmental act.	330,323	373,545	414,939	473,466	500,694	537,299	1,367,881	773,043	388,258	398,815
Total business-type activities expenses	8,828,094	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
Total primary government expenses	32,223,799	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
<b>Program Revenues</b>										
<i>Governmental Activities:</i>										
Charges for Services										
Administration	-	-	-	-	-	-	-	-	-	-
Culture and recreation:	1,425,059	1,456,388	1,345,401	1,109,515	957,080	1,043,807	1,030,473	1,015,256	898,007	828,175
Community Development	251,070	281,477	397,926	303,305	289,377	348,835	292,651	206,107	317,749	264,257
Public safety	1,316,474	836,322	865,320	826,151	602,752	782,175	614,028	411,004	531,713	571,153
Operating Grants and Contributions	1,218,092	1,236,159	912,580	3,232,086	848,007	838,965	778,632	629,574	664,784	1,496,615
Capital Grants and Contributions	2,402,038	682,854	552,679	1,460,365	32,683	-	38,798	310,680	-	-
Total governmental activities program revenues	6,612,733	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
<i>Business-type Activities:</i>										
Water operations	4,602,973	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
Wastewater operations	2,592,843	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
Solid waste operations	2,991,031	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
Ambulance	390,315	389,187	375,221	354,997	344,111	289,390	244,414	239,426	236,848	234,860
Operating Grants and Contributions	266,941	-	800,823	3,819,083	-	-	-	-	1,555,797	-
Capital Grants and Contributions	1,213,162	998,770	604,644	1,420,137	-	-	-	-	-	-
Total business-type activities program revenues	12,057,265	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
Total primary government program revenues	18,669,998	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

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

**Table 2**  
page 2 of 2

	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Net (Expenses) Revenues (1)</b>										
<i>Governmental Activities</i>	\$ (16,782,972)	\$ (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)
<i>Business-type Activities</i>	3,229,171	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
Total Primary Government Net (Expenses)	(13,553,801)	(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)
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental Activities:</i>										
Taxes:										
Sales and use taxes	17,564,004	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
Franchise and public service taxes	898,187	961,631	874,102	795,630	1,086,671	1,129,553	1,131,556	1,102,695	1,077,544	1,096,543
E-911 taxes	271,627	274,141	281,685	43,548	41,406	43,372	60,206	5,559	5,474	5,238
Intergovernmental revenue	420,332	517,017	406,119	543,172	433,693	392,166	407,623	395,023	390,354	407,182
Investment Income	1,003,136	398,847	31,287	42,924	82,959	71,852	33,049	24,407	22,810	18,559
Miscellaneous	588,300	413,397	243,862	277,029	630,841	288,403	1,083,565	278,204	426,114	538,049
Transfers - Internal Activity	(1,689,645)	2,731,811	5,415,828	(658,343)	4,801,593	4,337,614	(426,728)	(981,011)	(1,335,669)	(1,912,697)
Total Governmental Activities	19,055,941	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
<i>Business-type Activities:</i>										
Intergovernmental revenue	-	-	-	-	-	-	-	-	-	3,596
Investment Income	752,929	414,532	28,285	31,455	264,715	473,595	204,696	29,130	21,878	7,273
Miscellaneous (5)	847,408	821,942	784,429	721,060	1,833,930	517,213	470,106	455,423	487,497	414,015
Transfers - Internal Activity	1,689,645	(2,731,811)	(5,415,828)	658,342	(4,801,593)	(4,337,614)	426,728	981,011	1,335,669	1,912,697
Total Business-type Activities	3,289,982	(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
Total Primary Government	22,345,923	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
<b>Change in Net Position (3)</b>										
<i>Governmental Activities</i>	2,272,969	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
<i>Business-type Activities</i>	6,519,153	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
<b>Total Primary Government (2)</b>	\$ 8,792,122	\$ 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

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

**Table 3**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>General Fund:</b>										
Nonspendable	\$ 63,616	\$ 62,568	\$ 63,109	\$ 47,900	\$ 50,877	\$ 84,979	\$ 59,634	\$ 56,274	\$ 52,027	\$ 41,925
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	74,597	1,029,525	1,102,550	546,167
Assigned	35,595	4,089	2,242	4,320	70,288	151,556	1,409	1,144	162,934	177,250
Unreserved/Unassigned	10,804,865	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
Total General Fund	10,904,076	10,136,143	8,866,438	7,100,646	5,365,575	4,394,416	3,902,942	3,559,757	3,447,039	3,443,973
<b>Other Governmental Funds:</b>										
Nonspendable	379	-	4,745	-	-	-	-	-	-	-
Restricted	618,312	586,744	468,560	431,581	193,876	184,337	189,032	203,458	216,775	394,714
Committed	10,522,852	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
Assigned	-	-	-	-	233,376	218,946	120,836	38,511	79,983	175,767
Unreserved/Unassigned	-	-	-	-	-	-	-	-	37	37
Total Other Governmental Funds	11,141,543	9,220,507	7,715,716	5,583,216	4,592,014	3,566,713	2,779,774	1,995,434	2,536,766	3,033,983
Total Governmental Funds	22,045,619	19,356,650	16,582,154	12,683,862	9,957,589	7,961,129	6,682,716	5,555,191	5,983,805	6,477,956

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

**Table 4**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues:</b>										
Taxes (1)	\$18,757,851	\$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
Intergovernmental	2,648,169	1,567,758	1,394,263	3,290,897	656,344	500,048	506,627	446,236	523,744	1,971,612
Charges for services	1,405,627	1,436,075	1,318,278	1,081,123	938,580	1,043,807	999,201	1,015,256	898,007	828,175
Fines and forfeitures	472,609	521,103	508,209	601,733	609,722	726,879	625,683	421,011	502,660	565,697
Licenses and permits	278,956	311,749	436,257	336,873	309,942	348,834	301,452	206,107	317,749	264,257
Investment income	1,003,136	398,847	31,287	42,924	82,959	66,091	29,900	21,814	20,304	16,387
Miscellaneous	998,994	756,567	526,493	545,003	630,841	460,533	467,635	307,086	308,102	494,040
<b>Total Revenues</b>	<b>\$25,565,342</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>Expenditures:</b>										
Current:										
Administration	4,104,763	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
Culture and recreation (2)	3,180,232	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
Community development	599,311	615,898	476,628	503,999	490,717	494,948	506,535	599,292	503,098	456,330
Public safety	9,339,040	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
Streets and drainage	213,315	356,320	548,051	283,546	304,217	362,470	384,908	572,450	614,579	402,124
Capital outlay	3,736,894	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
Debt service:										
Principal retirement	1,677,566	819,601	588,647	526,772	366,116	411,075	418,156	405,073	422,691	430,753
Interest and fiscal charges	89,582	87,510	94,994	94,283	47,506	52,285	52,153	54,964	63,419	72,268
<b>Total Expenditures</b>	<b>22,940,703</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>
Excess of revenues over(under) expenditures	\$2,624,639	\$2,922,653	\$4,524,383	\$4,552,601	\$3,073,689	\$976,708	\$1,528,574	\$524,115	\$717,069	\$1,356,141
<b>Other Financing Sources (Uses):</b>										
Transfers in	14,910,981	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
Transfers out	(15,584,493)	(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)
Issuance of debt	737,842	659,720	211,359	477,195	-	1,439,246	226,129	135,082	124,448	189,905
<b>Total Other Financing Sources (Uses)</b>	<b>64,330</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>Net change in fund balances</b>	<b>\$2,688,969</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>
Debt Service as a Percentage of Non-Capital Expenditures	8.75%	5.09%	4.37%	4.07%	3.11%	3.49%	3.71%	3.74%	4.05%	3.97%

(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>
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
2024	265,825	14,873,805	168,684	925,465	162,231

<b>Fiscal Year</b>	<b>Fuel Tax</b>	<b>Use Tax</b>	<b>Telephone Tax</b>	<b>Tobacco Tax</b>	<b>Totals</b>
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
2024	39,577	2,690,199	2,558	91,899	19,220,243

(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>
2024	\$ 197,811,705	\$ 9,293,867	\$ 3,750,202	\$ 210,855,744	\$ 9,136,785	\$ 201,718,989	\$ 201,718,989	1.32
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

(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.



**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>
2024	1.32	67.29	16.11	16.08	100.80
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

Source: Canadian County Assessor's Office.

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

Last Ten Fiscal Years

**Table 8**

	<i>Fiscal Year</i>									
	<b>2024</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>
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%
Total City of Mustang	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
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%
Total	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%	8.85%

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Amusement & Recreation	\$ 162,404	\$ 159,905	\$ 119,707	\$ 63,972	\$ 49,448	\$ 41,981	\$ 5,987	\$ 5,202	\$ 4,671	\$ 4,733
Construction (2)	37,306	42,009	19,675	14,613	10,630	13,892	4,205	4,792	5,212	6,960
Manufacturing	340,017	319,210	367,531	175,191	136,983	193,217	145,202	140,265	168,889	192,846
Public Utilities	730,492	806,318	651,917	552,288	518,933	536,075	552,750	509,971	487,600	537,785
Retail - Furniture and Accessories	106,887	210,989	295,097	204,487	184,754	306,000	251,444	263,388	279,965	309,663
Retail - Apparel	686,456	115,612	122,851	1,593,106	1,079,788	120,524	97,093	94,334	98,332	103,318
Retail - Automotive	1,957,774	547,403	453,285	298,091	290,222	296,454	276,115	230,557	186,388	207,158
Retail - Building Materials	782,796	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
Retail - Food	142,312	808,629	662,817	876,227	511,779	608,563	568,518	537,196	459,562	417,187
Retail - General Merchandise	5,621,349	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
Retail - Miscellaneous	25,294	272,312	334,441	292,702	261,699	166,648	182,187	124,894	245,798	108,573
Retail - Restaurants	2,548,411	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
Services - Automotive Repair	227,668	211,016	167,973	86,416	73,697	78,404	107,976	102,384	79,753	66,046
Services - Business	171,222	193,844	146,448	140,417	174,947	138,794	122,461	108,402	116,439	110,833
Services - Personal	65,835	49,116	84,067	81,447	63,443	64,660	48,518	55,233	50,232	56,265
Telecommunications	289,712	295,284	307,265	302,269	256,926	271,782	270,453	290,232	305,766	317,801
Transportation (2)	21,820	42,056	49,038	30,994	11,052	10,623	5,576	4,252	3,264	806
Wholesale Trade	882,280	907,558	606,044	611,817	534,054	599,594	535,805	508,430	487,492	486,155
All Other Categories	82,344	60,156	69,230	64,399	57,518	89,373	63,806	91,141	86,242	42,699
	<b>\$ 14,882,379</b>	<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>

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**

2024			2014		
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	\$2,466,680	1.22%	Oklahoma Gas & Electric	\$2,523,826	2.07%
Oklahoma Gas & Electric	2,102,360	1.04%	Park Place Apartments	1,224,622	1.00%
Wal-Mart Real Estate Business	1,646,066	0.82%	Lowe's Home Centers Inc	1,192,090	0.98%
PS Mid-West, LLC	1,501,828	0.74%	Wal-mart Real Estate Business	1,003,318	0.82%
Laurel Springs, LLC Retirement Center	1,386,720	0.69%	Wal-mart Stores East LP	819,343	0.67%
Oklahoma Natural Gas Company	1,230,516	0.61%	Lowe's Home Centers Inc	684,889	0.56%
Lowe's Home Centers Inc	1,121,437	0.56%	Oklahoma Natural Gas Company	669,739	0.55%
Lowe's Home Centers Inc	1,088,909	0.54%	Industrial Gasket	403,939	0.33%
Wal-Mart Stores East LP	974,587	0.48%	Greens at Pebble Creek	435,712	0.36%
The Bradford Rentals, LLC	903,263	0.45%	Ventas AH Mustang LLC	493,136	0.40%
<b>TOTAL</b>	<b>\$14,422,366</b>	<b>7.15%</b>	<b>TOTAL</b>	<b>\$9,450,614</b>	<b>7.74%</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		
2024	\$ 266,155	\$ 261,970	98.43%	\$ 301	\$ 262,271		98.54%
2023	272,586	269,047	98.70%	297	\$ 269,344		98.81%
2022	273,814	277,460	101.33%	228	277,688		101.41%
2021	281,686	279,373	99.18%	449	279,822		99.34%
2020	283,116	277,460	98.00%	-	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%

(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**

<b>FISCAL YEAR</b>	<b>GENERAL OBLIGATION BONDS</b>	<b>LEASE LIABILITY</b>	<b>NOTE PAYABLE</b>
2024	\$ 795,000	\$ 49,545	\$ 1,721,737
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

**BUSINESS TYPE ACTIVITIES**

<b>FISCAL YEAR</b>	<b>REVENUE BONDS</b>	<b>LEASE LIABILITY</b>	<b>NOTES PAYABLE</b>
2024	\$ -	\$ -	\$ 21,023,489
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

<b>FISCAL YEAR</b>	<b>TOTAL PRIMARY GOVERNMENT</b>	<b>PERCENTAGE OF PERSONAL INCOME</b>	<b>PER CAPITA</b>
2024	\$ 23,589,771	2.5%	\$1,014
2023	27,022,212	3.3%	1,215
2022	30,374,535	4.1%	1,263
2021	33,723,629	5.1%	1,564
2020	35,913,173	5.0%	1,633
2019	37,578,827	5.6%	1,771
2018	29,389,413	4.4%	1,413
2017	19,712,839	5.9%	1,395
2016	24,986,179	7.1%	1,511
2015	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**

	General Bonded Debt Outstanding				
Fiscal Year	General Obligation Bonds	Judgment Funding Bonds	Total	Restricted Debt Service Funds	Net Bonded Debt
2024	\$ 795,000	\$ -	\$ 795,000	\$ 88,885	\$ 706,115
2023	1,050,000	-	1,050,000	76,439	944,418
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

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
2024	1.86%	4.53%	23,270	\$ 34.16	\$ 30.34
2023	1.98%	4.64%	22,232	\$ 47.23	\$ 42.48
2022	2.06%	4.55%	24,049	54.26	49.23
2021	1.98%	4.42%	23,504	66.37	60.40
2020	1.99%	4.23%	22,959	79.05	72.49
2019	2.14%	2.85%	21,997	94.10	86.45
2018	2.22%	4.37%	21,222	109.56	101.05
2017	3.07%	4.21%	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

(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, 2024*

**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	\$71,920,000	23.28%	\$16,742,976
City of Mustang	795,000	100.00%	795,000
City of Mustang - Notes Payable	1,721,737	100.00%	1,721,737
City of Mustang - Lease Payable	49,545	100.00%	49,545
Total Direct and Overlapping Debt	<u>\$74,486,282</u>		<u>\$19,309,258</u>

(1) Debt outstanding provided by each entity.

**CITY OF MUSTANG, OKLAHOMA  
MUSTANG IMPROVEMENT AUTHORITY  
PLEDGED-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
2024	\$	26,509,976	\$	4,928,920	\$ 21,581,056	\$ 3,874,931	5.57	1.25
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

(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>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net assessed valuation	<u>\$201,718,989</u>	<u>\$182,472,828</u>	<u>\$171,005,095</u>	<u>\$163,116,387</u>	<u>\$163,825,350</u>
Debt limit (1)	20,171,899	18,247,283	17,100,510	16,311,639	16,382,535
Applicable bonds outstanding:					
2012 General Obligation Bonds	795,000	1,050,000	1,305,000	1,560,000	1,815,000
2007 General Obligation Bonds	-	-	-	-	-
Total Debt Outstanding	<u>795,000</u>	<u>1,050,000</u>	<u>1,305,000</u>	<u>1,560,000</u>	<u>1,815,000</u>
Legal debt margin	<u>\$19,376,899</u>	<u>\$17,197,283</u>	<u>\$15,795,510</u>	<u>\$14,751,639</u>	<u>\$14,567,535</u>

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Net assessed valuation	<u>\$152,575,992</u>	<u>\$142,429,085</u>	<u>\$137,527,125</u>	<u>\$132,130,068</u>	<u>\$126,840,666</u>
Debt limit (1)	15,257,599	14,242,909	13,752,713	13,213,007	12,684,067
Applicable bonds outstanding:					
2012 General Obligation Bonds	2,070,000	2,325,000	2,580,000	2,835,000	3,090,000
2007 General Obligation Bonds	-	-	-	-	-
Total Debt Outstanding	<u>2,070,000</u>	<u>2,325,000</u>	<u>2,580,000</u>	<u>2,835,000</u>	<u>3,090,000</u>
Legal debt margin	<u>\$13,187,599</u>	<u>\$11,917,909</u>	<u>\$11,172,713</u>	<u>\$10,378,007</u>	<u>\$9,594,067</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**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income</b>	<b>Per Capita Personal Income (1) (4)</b>	<b>Median Age (1) (4)</b>
2023	23,270	\$ 938,176,590	\$ 40,317	38.9
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

<b>Year</b>	<b>Education Level in Years of Schooling (1) (4) (5)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate (3)</b>
2023	93%	13,461	2.60%
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%

(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**

2024				2023			
			Percentage of Total				Percentage of Total
	Employees	Rank	City Employment		Employees	Rank	City Employment
Mustang Public Schools, Education	1,700	1	37.00%	Mustang Public Schools, Education	1,655	1	35.40%
Wal-Mart Super Center, Retail	308	2	6.70%	Wal-Mart Super Center, Retail	335	2	7.20%
City of Mustang, Government	191	3	3.60%	City of Mustang, Government	214	3	4.60%
Lowes Home Improvement, Retail	165	4	3.60%	Lowes Home Improvement, Retail	184	4	3.90%
SSM Health, St. Anthony's Healthplex	100	5	2.20%	SSM Health, St. Anthony's Healthplex	90	5	1.90%
Mustang McDonald's, Restaurant	68	6	1.50%	Mustang McDonald's, Restaurant	55	6	1.30%
Swadley's, Restaurant	65	9	1.00%	Whataburger, Restaurant	50	7	1.00%
Cash Saver, Grocery	44	8	1.00%	Cash Saver, Grocery	50	8	1.00%
Whataburger, Restaurant	43	7	0.90%	Swadley's, Restaurant	50	9	1.10%
Atwoods, Retail	40	10	0.70%	Atwoods, Retail	41	10	90.00%
	2,724				2,724		

2022				2021			
			Percentage of Total				Percentage of Total
	Employees	Rank	City Employment		Employees	Rank	City Employment
Mustang Public Schools, Education	1,683	1	27.10%	Mustang Public Schools, Education	1,683	1	27.10%
Airforce Reserve Command	943	2	10.30%	Airforce Reserve Command	640	2	10.30%
Wal-Mart Super Center, Retail	320	3	6.40%	Wal-Mart Super Center, Retail	400	3	6.40%
City of Mustang, Government	207	4	3.30%	City of Mustang, Government	202	4	3.30%
Lowes Home Improvement, Retail	168	5	2.60%	Lowes Home Improvement, Retail	163	5	2.60%
St. Anthony's Healthplex	125	6	1.60%	St. Anthony's Healthplex	100	6	1.60%
Mustang McDonald's, Restaurant	80	7	1.10%	Mustang McDonald's, Restaurant	68	7	1.10%
Whataburger, Restaurant	45	8	0.80%	Whataburger, Restaurant	50	8	0.80%
Cash Saver, Grocery	45	9	0.70%	Swadley's, Restaurant	42	9	0.70%
Swadley's, Restaurant	43	10	0.70%	Cash Saver, Grocery	42	10	0.70%
	3,659				3,390		

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.

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

**Table 19**

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Function/Program</b>										
Administration:										
City Attorney	1	1	1	0.25	0.25	-	-	-	-	-
Information Technology	1	1	-	-	-	-	-	-	-	-
City Manager	5	4	4	4.5	4.5	4	3.5	3	3	3
Finance	8	8	8	8	8	7	7	7	7	7
Community Development	6	6.5	6	6	6	6	6	6	6	6
Culture and Recreation:										
Parks	39.5	46.5	42.25	39	41	46	44	44.75	40.5	38.5
Library	7.5	6.75	7.25	6.75	6.5	7.5	7.5	7.5	7.5	6.5
Town Center Complex	1	1	1	1	1.25	1.25	1.25	1.25	1.25	1.25
Public Safety:										
Police										
Officers	25	27	24	24	24	24	22	21	22	21
Dispatch	7	8	8	7	7	7	7	7	7	6
Administration	6	7	5	6	7	7	7	6.5	5.5	5
Fire										
Firefighters	24	20	21	22	22	23	17	17	17	16
Administration	3	3	3	2	2	2	2	2	2	2
<b>Total</b>	<b>134.00</b>	<b>139.75</b>	<b>129.50</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>

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Police</b>										
Arrests	552	596	1,044	650	754	848	708	574	662	749
Total Citations	3,315	3,695	4,075	3,609	3,686	4,942	4,203	2,809	3,444	4,555
Total Incident Reports	1,943	2,223	1,914	2,362	1,731	1,735	1,591	1,377	1,561	1,564
<b>Fire</b>										
Medical Alarms	1,719	1,226	1,549	1,427	2,037	1,346	1,368	1,283	1,274	1,280
Total Alarms	2,321	1,610	2,121	2,125	2,158	1,929	1,990	1,723	1,770	1,706
Average Response Time	3:29	3:26	3:47	3:58	4:37	3:46	3:42	3:36	3:26	3:31
<b>Culture and Recreation</b>										
Town Center Memberships	4,028	2,938	2,295	2,582	2,188	2,785	2,984	2,073	2,342	2,012
Park Permits	2,312	2,686	2,351	1,296	1,828	2,146	1,621	1,935	2,448	980
Conference Center Room Rentals	1,296	958	1,402	831	923	2,028	2,010	1,666	1,711	1,450
Senior Center Lunch Participants	14,023	9,109	5,462	4,080	6,177	7,159	8,612	8,823	9,067	7,929
Aquatic Center Attendance	36,134	37,902	33,527	26,878	29,902	32,831	33,600	31,520	30,958	32,170
Sports (Adult and Youth) League & Gate participants	5,953	5,128	6,671	4,280	4,561	3,500	35,210	32,500	31,080	31,210
<b>Library</b>										
Age of library collections										
0 to 5 years	18%	9%	17%	9%	20%	20%	35%	20%	20%	22%
6 to 10 years	23%	31%	25%	49%	24%	23%	22%	23%	24%	24%
11 to 25 years	47%	6%	49%	26%	46%	45%	41%	42%	45%	48%
26 or more years	12%	53%	9%	16%	10%	12%	2%	15%	11%	6%
Volumes in collection	34,269	44,692	34,188	40,673	43,630	51,279	55,188	60,051	59,381	60,193
Ebooks	61,429	61,814	58,700	555,521	67,777	45,806	42,905	48,102	42,025	20,340
Databases	35	39	44	49	22	42	42	37	49	32
Cultural/educational program	513	500	426	664	248	491	575	426	459	320
Cultural/educational attendance	12,756	9,795	9,286	7,446	11,416	23,146	22,374	20,212	19,887	15,138
Total volumes borrowed	272,213	222,885	141,503	105,438	259,671	214,109	385,061	374,673	256,274	288,485
Membership	24,455	22,556	23,723	36,864	40,684	39,186	36,927	34,464	31,908	35,431
Library Room Rentals	25	21	10	-	11	8	15	8	11	9
<b>Water</b>										
New Connections	48	132	193	151	185	153	157	96	186	108
Average daily consumption (in million gallons per day)	1.73	1.44	1.59	1.54	1.54	1.39	1.51	1.45	1.52	1.56
<b>Wastewater</b>										
Average effluent flow in mgd	1.78	2.2	2.34	2.1	2.05	1.5	1.34	1.32	1.65	1.50
<b>Streets</b>										
Cubic yards of street panels replaced	400	350	200	365	295	250	225	183	170	-
Cubic feet of potholes patched	2,730	8,500	6	5,285	3,900	3,200	3,200	3,853	3,200	3,114
<b>Community Development</b>										
Commercial construction permits	7	2	4	10	5	5	14	14	8	9
Commercial construction cost	\$5,720,000	\$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
Residential construction permits	38	102	198	154	206	220	184	83	92	86
Residential construction cost	\$12,575,302	\$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
<b>Stormwater management</b>										
Construction erosion inspections	240	2183	2110	790	756	730	784	388	251	442
Stormwater permits issued	48	109	185	170	213	215	190	100	100	95
<b>Occupation and Business</b>										
Occupation licenses	676	639	667	577	531	573	783	579	665	702
Business licenses	354	345	372	379	371	361	361	332	374	378

Source: Internal city documents.

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

Table 21

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<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)	99.4	98	95.3	93.9	91.74	91	89	88	88	85.53
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	10	9	9	9	9	9	8	8
Splashpad	1	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	4.9	4	4	2.05	2.05	2.05	2.05	2.05	2.05
<b>Water</b>										
Water mains (miles)	290	243	235	190	176	160	132	130	130	130
Fire hydrants	1060	1043	1000	975	968	961	923	932	912	888
Storage capacity (millions of gallons)	3.4	3.4	3.4	3	4	3.4	3.35	3.35	3.35	3.35
Water wells	11	11	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)	240	212	190	155	144	120	95	94	94	94
Treatment capacity (millions of gallons per day)	3	3	3	3	3	3	2	2	2	2
Lift stations	10	10	10	10	8	9	9	7	6	6

Source: Internal city documents.

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***Single Audit and Internal Control and  
Compliance Section***

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# Elfrink and Associates, PLLC

Certified Public Accountants

## 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, 2024, and the related notes to the financial statements, which collectively comprise City's basic financial statements, and have issued our report thereon dated December 6, 2024.

### 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 6, 2024

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Tulsa, OK, 74137

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Government Accounting and Auditing

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM  
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited City of Mustang, Oklahoma's ("City") compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of City's major federal programs for the year ended June 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to City's federal programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on City's compliance based on our audit. 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, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.,

- Obtain an understanding of City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

#### ***Other Matters***

The results of our auditing procedures disclosed no instance of noncompliance which is required to be reported in accordance with the Uniform Guidance.

#### **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

#### **Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statements 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 of Mustang, Oklahoma, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 6, 2024, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Elfrink and Associates, PLLC*

Elfrink and Associates, PLLC  
Tulsa, Oklahoma  
December 6, 2024

