

2024

City of McAlester Annual Comprehensive Financial Report and Accompanying Independent Audit Report



THE CITY OF MCALESTER, OKLAHOMA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
AND ACCOMPANYING
INDEPENDENT AUDITOR'S REPORT**

**AS OF AND FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

Prepared By:
City of McAlester Department of Finance
Sherri Swift, Chief Financial Officer

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ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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Small Town. Big Frontier.

PO Box 578 (1st & Washington) McAlester, Oklahoma 74502 · 918-423-9300 · FAX 918-421-4971 ·
www.cityofmcalester.com

January 24, 2025

Honorable Mayor, Members of the City Council and the Citizens of the City of McAlester, Oklahoma:

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of McAlester for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. This was the 10th consecutive year that The City of McAlester has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report (ACFR) continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate. The preparation for this award could not have been accomplished without the efficient and dedicated service of our highly qualified staff in the Finance Department.

Management assumes responsibility for the completeness and reliability of the information contained in this report. The City of McAlester's leadership is tasked with establishing and upholding an internal control framework. This framework is designed to safeguard the City's assets against loss, theft, or misuse. Its primary purpose is to guarantee the compilation of sufficient and accurate accounting data, facilitating the preparation of financial statements that are devoid of significant misstatements. We have confidence that the information presented is accurate in all significant aspects, and we have included all necessary disclosures to ensure a comprehensive understanding of the City's financial activities. The internal control framework is crafted to offer reasonable,

though not absolute, assurance that the financial statements are free from any substantial misstatements.

The City's financial statements have been audited by Arledge, a firm of licensed certified public accountants. The independent audit was conducted to provide reasonable assurance that the financial statements of the City are free of material misstatements. The independent auditor has issued an unmodified opinion on the City's financial statements for the year ended June 30, 2024. The independent auditor's report is presented as the first component of the financial section of this report.

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

Profile of the Government

The City is governed by the Council-Manager form of government. This form of government most closely resembles the private sector with the Manager serving as the Chief Executive Officer, the Mayor as the Chairman of the Board, and the Council as the Board of Directors. The City Council is the legislative body for the City of McAlester. It is comprised of the Mayor, Vice-Mayor, and five council members who are elected to serve four-year terms. The council members represent each of the City's six wards while the mayor is elected at-large.

The City of McAlester provides a variety of municipal services to 18,000+ residents, including police and fire protection, planning and zoning services, parks and recreational activities, the construction and maintenance of streets, and other critical infrastructure. The City also provides water, wastewater, storm water, and solid waste services to its residents under the legal entity of McAlester Public Works Authority (MPWA).

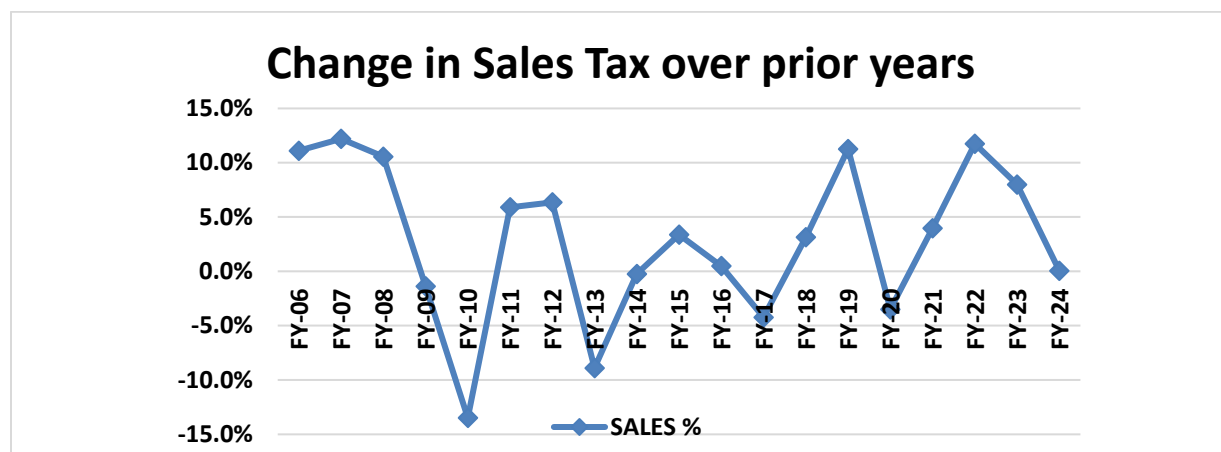
The City reports on a fiscal year basis, beginning July 1st and ending June 30th. All funds of the City with revenues and expenditures are required to have annual budgets. The City Manager's proposed operating budget for the fiscal year commencing the following July 1 is submitted to the City Council prior to June 1. A public hearing is held prior to June 15 to obtain citizen comments. Following the public hearing, but not later than seven days prior to July 1, the budget is adopted by Ordinance of the City Council. The adopted budget is filed with the Office of the State Auditor and Inspector. The appropriated budget is prepared by fund, function, and department. All supplemental appropriations require City Council approval; however, the City Manager may transfer appropriations between departments without City Council approval up to \$25,000. Additionally, appropriations must be filed with the Office of the State Auditor and Inspector. The city maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Local Economy

McAlester remains the regional economic hub for southeast Oklahoma, covering a service area of more than 125,000 residents across 8 counties. These residents rely on McAlester for housing, employment opportunities, retail and dining options, recreation, and healthcare. For those products and services in limited supply in rural Oklahoma, McAlester has convenient access to the markets. They are Tulsa (91 miles), Oklahoma City (130 miles), and Dallas (170 miles)

McAlester continues to prioritize retail development and industrial recruitment as cornerstones of economic growth. The retail development project, *The Shops at McAlester*, has become a major regional draw, attracting 2.3 million visits between October 1, 2023, and November 30, 2024. These visits came from 428,400 unique shoppers, with 55% traveling from over 10 miles away, 26% from more than 50 miles, 18% from over 100 miles, and 5% journeying from over 250 miles. This widespread appeal has significantly boosted sales tax revenue and solidified McAlester's reputation as a thriving retail destination and economic hub.

The City of McAlester's staff showcased remarkable resilience and dedication during FY 2023/24 when revenue projections fell short of initial budget expectations. Faced with this challenge, every department undertook significant measures to control spending and reduce costs. Through strategic efficiency improvements and disciplined fiscal restraint, the City truly embodied the principle of "doing more with less." These collective efforts were pivotal in ensuring the City successfully met its end-of-year budget goals, highlighting the commitment and resourcefulness of its workforce.



McAlester is poised to emerge as a regional leader in aerospace innovation and a driving force behind the aviation industry's revival. In 2025, the City will unveil its newest centerpiece: a cutting-edge airport terminal made possible through strategic partnerships with the Federal Aviation Administration, the Oklahoma Aviation Commission, and the Choctaw Nation, alongside a 10% direct investment from McAlester itself. This milestone follows a pivotal development in 2023, when the McAlester Regional Airport assumed

fixed-base operations, generating \$400,000 annually in aviation fuel services—a significant step toward achieving self-sustainability and positioning the airport as a vital economic and transportation hub for the region.

Industrial development in McAlester is experiencing a remarkable resurgence, fueled by the area's affordability and favorable cost of living. In FY 2024, the City successfully recruited Loren Cook, an industry leader in designing and manufacturing fans, blowers, and ventilation systems. Building on this momentum, FY 2025 brought the successful recruitment of Amazon, which will establish a distribution center in the Steven Taylor Industrial Park, marking a significant economic milestone for the region.

The City is also actively pursuing cutting-edge opportunities in hydrogen manufacturing and lithium-ion battery recycling, with deals anticipated in the third quarter of FY 2025. These developments collectively have the potential to create hundreds of jobs over the next two years, solidifying McAlester as an attractive destination for industrial innovation and growth despite the challenges posed by rising interest rates.

Major Initiatives

The city continued to focus on capital needs and infrastructure projects during Fiscal Year 2023-2024. The City of McAlester has taken a proactive and comprehensive approach to improving its surface infrastructure by completing a 100% inventory and condition assessment of its 177 lane miles of streets. Conducted by Infrastructure Management Services, this project utilized advanced LIDAR scanning technology to evaluate surface conditions, resulting in a robust database that categorizes and prioritizes necessary repairs with an objective condition report. Building on this foundation, the City has hired a dedicated project manager to translate this data into actionable work plans based on annual budgets, ensuring systematic progress. To maintain accuracy and accountability, the City plans to re-scan the streets every five years, reinforcing its commitment to long-term infrastructure excellence

List of 2023-2024 initiatives:

- DWSRF Projects continued
- High Service Pumps for Water Treatment Plant
- Stormwater improvements Main to 1st Street
- Street reconstruction Adams Main to 1st Street
- Strong Blvd Sidewalk project, Phases I, II, III
- Colonial Circle Street Improvement
- Coal Creek Raw Water Pump Station Project
- Wastewater Collection System Evaluation Project Phase I
- Flight Service Station Demo Project
- Fire Admin Reserve Center Remodel Project
- Industrial Park Lift Station improvements.
- 1 Police Vehicle

- Braun F450 4X4 Ambulance
- LED Lighting Retrofit for Stipe Community Center
- Waterway Trails Project continued
- Thunderbird Park Sewer Improvements
- 2 Utility Trucks
- New Airport Terminal Project

The preparation of this Annual Comprehensive Financial Report (ACFR) is a combined effort of the Finance Department and the professional assistance of Crawford & Associates, P.C. Our sincere appreciation is extended to all who contributed to its preparation.

Finally, we would like to thank the mayor, the esteemed members of the City Council, and the members of the Audit and Finance Committee for their policy guidance which is reflected in this document. As the governing body, we appreciate their leadership, encouragement, and support in strengthening and improving the fiscal policies of the City of McAlester.

Respectfully Submitted,



Dave Andren
City Manager



Sherri Swift
Chief Financial Officer

CITY OF MCALESTER, OKLAHOMA

LIST OF PRINCIPAL OFFICIALS

JUNE 30, 2024

City Council

John Browne, Mayor
Levi Gilmore, Member Ward 1
Justin Few, Member Ward 2
Chris Stone, Member Ward 3
Randy Roden, Member Ward 4
Billy Jack Boatright, Member Ward 5
Kevin Beaty, Member Ward 6

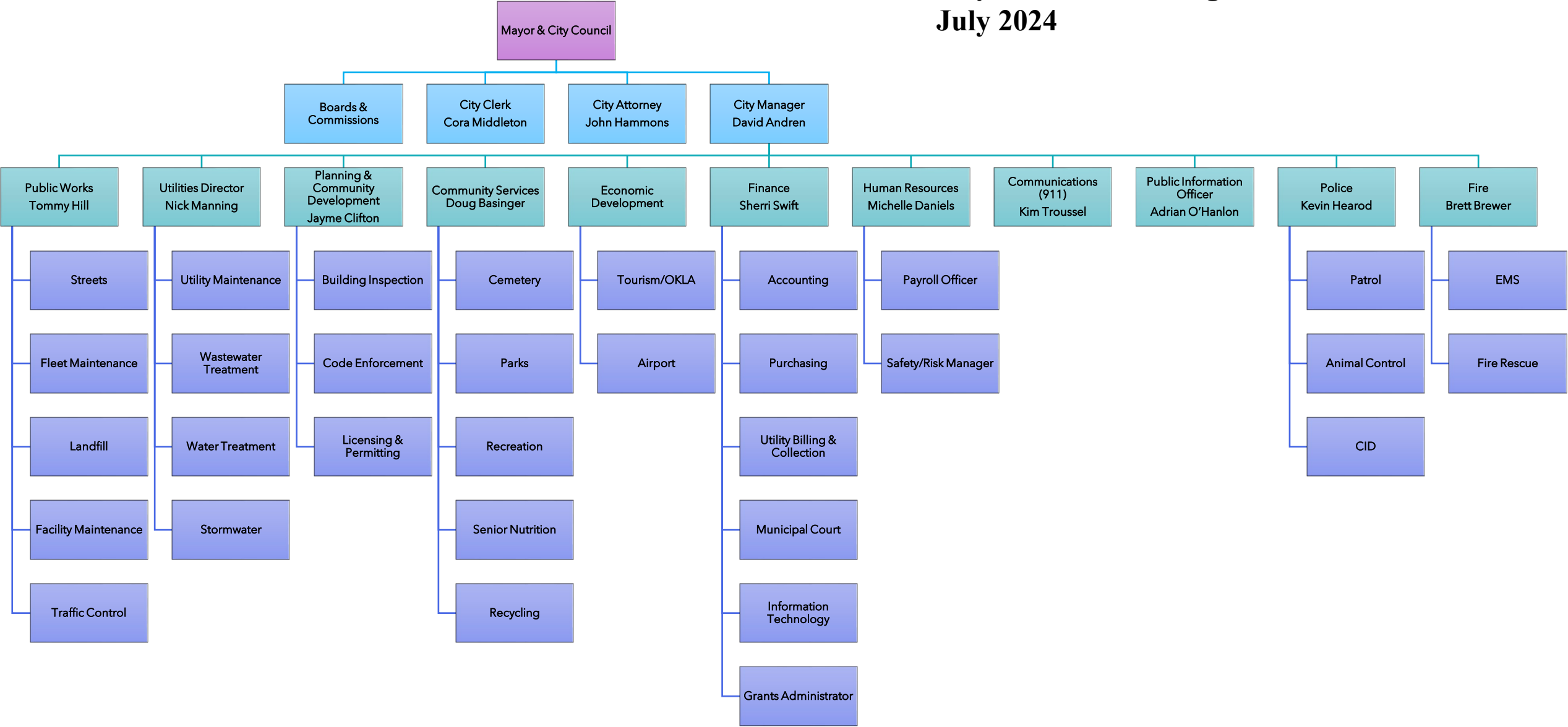
Administration

Dave Andren
Cora Middleton
Unfilled
Sherri Swift

City Manager
City Clerk
Assistant City Manager
Chief Financial Officer

City of McAlester Organizational Chart

July 2024





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of McAlester
Oklahoma**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
City of McAlester, Oklahoma

Opinions

We have audited the accompanying financial statements 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 of McAlester, Oklahoma (the "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, based on our audit and the report of the other auditors, 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.

We did not audit the financial statements of the City's discretely presented component unit, McAlester Regional Health Center Authority (the "Authority"), which represent 99.9% of the assets, net position, and revenues of the aggregate discretely presented component units as of June 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Authority, is based solely on the report of the other auditors.

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 and *Government 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 and budgetary comparison information 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 Government 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 and other auditors 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 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 by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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 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 January 24, 2025, 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 the effectiveness of the City's 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.

Arlidge & Associates PC

Oklahoma City, Oklahoma
January 24, 2025



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As management of the City of McAlester, we offer readers this narrative overview and analysis of the financial activities of the City of McAlester for the fiscal year ended June 30, 2024. We encourage readers to use this information in conjunction with the City's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The City's overall net position improved during the year ended June 30, 2023. Total net position increased by \$7,583,194 with the City's total government-wide assets and deferred outflows continuing to exceed its total liabilities and deferred inflows at June 30, 2024, by \$63,779,075 which represents its total government-wide net position.
- The City's governmental activities experienced a current year increase in net position of \$4,941,234, while business-type activities experienced a current year increase in net position of \$2,641,960.
- While the City has total government-wide net position amounting to \$63,779,075, it is segregated by \$44,820,856 in a net investment in capital assets and \$17,249,009 of net position restricted for various purposes, thus leaving the City with \$1,709,213 in a total unrestricted net position, with (\$21,249) of the unrestricted net position (deficit) located in the City's governmental activities and \$1,730,462 of the unrestricted net position located in the City's business-type activities.
- At June 30, 2024, the City's governmental funds reported combined ending total fund balances of \$24,697,575. That net amount is the result of \$17,823,931 of restricted fund balance, \$6,114,646 of assigned fund balance, and \$758,998 of unassigned fund balance.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements presented herein include all of the activities of the financial reporting entity of the City of McAlester (the "City"). The financial reporting entity consists of the following separate legal entities:

- The Primary Government
 - City of McAlester
 - McAlester Public Works Authority
 - McAlester Airport Authority
 - McAlester National Defense & Industrial Development Authority (no current activity)
 - McAlester Economic Development Authority (no current activity)
- Discretely Presented Component Units
 - McAlester Regional Health Center
 - McAlester Parking Authority

The entities included as part of the primary government are included in this report within the governmental-wide statements in either of two categories of activities – governmental and business-type. The discretely presented component units are reported in individual columns labeled Component Units. This management discussion and analysis focuses on the primary government as defined above.

The governmental-wide financial statements present the complete financial picture of the City's reporting entity from the economic resources measurement focus using the accrual basis of accounting. They present governmental activities and business-type activities separately and combined, with separate columns for the individual discretely-presented component units. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. These government-wide statements include all assets of the City (including infrastructure) and deferred outflows, as well as all liabilities (including long-term debt) and deferred inflows.

Reporting the City as a Whole

The Statement of Net Position and Statement of Activities

This discussion and analysis is intended to serve as an introduction to the City of McAlester's basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 22 & 23, respectively) report information about the City as a whole and about its activities in a way that helps answer questions. These statements include all assets, deferred outflows, liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues, expenses and deferrals are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in net position from the prior year. You can think of the City's net position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure the City's financial condition, or position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving, deteriorating, or remaining steady. However, you must consider other non-financial factors, such as changes in the City's tax base, the condition of the City's roads and other infrastructure, and the quality of services to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into three types of activities:

- Governmental activities -- Most of the City's basic services are reported here, including the police, fire, general administration, streets, and parks. Sales taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- Business-type activities -- The City's activities that charge a fee to customers to help cover all or most of the cost of certain services it provides. The City's water, sewer, and solid waste collections utilities, along with its airport activities, are reported here.
- Discretely-presented component units -- These account for activities of the City's reporting entity that do not meet the criteria for blending, and include the Regional Health Center Authority and the Parking Authority.

Reporting the City's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. The City of McAlester, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants and other money. All of the funds of the City of McAlester can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds -- Most of the City's basic services are reported in governmental funds, which focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. These funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic service it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds -- When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Enterprise funds are one type of proprietary funds and are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its water and sewer operations and solid waste collection, disposal services, and airport services. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds - When the City is responsible for assets that – because of a trust arrangement or other fiduciary requirement – can be used only for trust beneficiaries or other parties, such as the City's single employer Defined Benefit Retirement Plan and Trust Fund (closed to new entrants), the City is responsible for ensuring that the assets reported in these funds are used for their intended purpose. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these assets to finance operations.

A FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

For the year ended June 30, 2024, net position for the governmental activities and business-type activities totaled \$63,779,075, an increase of \$7,583,194. The results indicate the City, as a whole, improved its financial position from the prior year.

The City of McAlester's Change in Net Position

	Governmental Activities	Business-type Activities	Total
Beginning net position	\$ 19,235,293	\$ 36,960,588	\$ 56,195,881
Increase in net position	4,941,234	2,641,960	7,583,194
Ending net position	\$ 24,176,527	\$ 39,602,548	\$ 63,779,075

Following is a summary comparison of change in net position from last year for the City of McAlester.

The City of McAlester's Net Position

	Governmental Activities			Business-type Activities			Total		
	(Restated)			(Restated)			(Restated)		
	2024	2023		2024	2023		2024	2023	
Assets:									
Current and other assets	\$ 30,403,445	\$ 28,622,288	6%	\$ 11,068,161	\$ 9,439,393	17%	\$ 41,471,606	\$ 38,061,681	9%
Capital assets	38,962,510	39,539,064	-1%	54,738,366	48,528,506	13%	93,700,876	88,067,570	6%
Total assets	69,365,955	68,161,352	2%	65,806,527	57,967,899	14%	135,172,482	126,129,251	7%
Deferred Outflows of Resources:									
Deferred amounts related to pensions	4,874,496	5,702,775	-15%	394,596	618,123	-36%	5,269,092	6,320,898	-17%
Deferred amounts on refunding	285,379	379,460	-25%	-	-	N/A	285,379	379,460	-25%
Liabilities:									
Long-term liabilities	45,898,037	51,463,330	-11%	24,153,732	20,495,618	18%	70,051,769	71,958,948	-3%
Other liabilities	2,629,581	2,232,038	18%	2,430,102	1,063,346	129%	5,059,683	3,295,384	54%
Total liabilities	48,527,618	53,695,368	-10%	26,583,834	21,558,964	23%	75,111,452	75,254,332	0%
Deferred Inflows of Resources:									
Deferred amounts related to leases	442,185	474,712	-7%	-	-	N/A	442,185	474,712	-7%
Deferred amounts related to pensions	1,379,500	838,214	65%	14,741	66,470	-78%	1,394,241	904,684	54%
Net position:									
Net investment in capital assets	6,948,770	4,260,828	63%	37,872,086	35,323,715	7%	44,820,856	39,584,543	13%
Restricted	17,249,006	16,959,677	2%	-	-	N/A	17,249,006	16,959,677	2%
Unrestricted (deficit)	(21,249)	(1,985,212)	-99%	1,730,462	1,636,873	6%	1,709,213	(348,339)	-591%
Total net position	\$ 24,176,527	\$ 19,235,293	26%	\$ 39,602,548	\$ 36,960,588	7%	\$ 63,779,075	\$ 56,195,881	13%

The increase in deferred inflows related to pensions was the result of Fire and Police plans having an increase from the prior year and the OMRF plan having a decrease from the prior year.

The increase in the amount of other liabilities of the governmental activities is mainly due to the increase in unearned revenue in the amount of \$820,743 related to grant funds not yet expended. The increase in the amount of other liabilities of the business-type activities is mainly due to the increase in accounts payable in the amount of \$1,391,859. The increase in the amount of long-term liabilities of the business-type activities is mainly related to the increase in notes payable of \$4,881,244 from the additional draw-downs of an OWRB loan.

The largest portion of the City's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. This year the net investment in capital assets amounted to approximately \$44.8 million. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Another portion of the City's net position, approximately \$17.2 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is generally considered to be available to be used to meet the government's ongoing obligations to citizens and creditors. For the current year, this unrestricted net position amounted to \$1,709,213. The governmental activities unrestricted net position deficit balance of \$21,249 is primarily the result of the

**MANAGEMENT'S DISCUSSION & ANALYSIS
CITY OF MCALESTER, OKLAHOMA
JUNE 30, 2024**

net pension liabilities and their related deferred outflows and inflows that are reported as a component of the unrestricted net position (deficit).

The City of McAlester's Statement of Activities

	Governmental Activities			Business-type Activities			Total		
	2024	2023		2024	2023		2024	2023	
Revenues:									
Program revenues:									
Charges for Services	\$ 4,175,000	\$ 4,672,951	-11%	\$ 12,881,331	\$ 12,185,813	6%	\$ 17,056,331	\$ 16,858,764	1%
Grants & Contributions	2,033,724	2,523,221	-19%	44,427	37,095	20%	2,078,151	2,560,316	-19%
Capital Grants & Contributions	317,421	852,735	-63%	1,397,611	187,145	647%	1,715,032	1,039,880	65%
General Revenues:									
Sales & Use Tax	20,631,821	20,776,425	-1%	-	-		20,631,821	20,776,425	-1%
Other Taxes	3,491,732	3,288,632	6%	-	-		3,491,732	3,288,632	6%
Other General Revenues	1,615,500	3,913,565	-59%	439,256	293,769	50%	2,054,756	4,207,334	-51%
Total Revenues	32,265,198	36,027,529	-10%	14,762,625	12,703,822		47,027,823	48,731,351	-3%
Program Expenses:									
Legislature	451,562	120,326	275%	-	-		451,562	120,326	275%
Administration	5,205,105	4,288,082	21%	-	-		5,205,105	4,288,082	21%
Public safety	10,426,894	10,786,235	-3%	-	-		10,426,894	10,786,235	-3%
Community services	2,792,422	3,076,620	-9%	-	-		2,792,422	3,076,620	-9%
Administration services	1,031,322	988,217	4%	-	-		1,031,322	988,217	4%
Health and welfare	273,225	265,605	3%	-	-		273,225	265,605	3%
Public works	3,786,362	3,630,653	4%	-	-		3,786,362	3,630,653	4%
Economic development	322,221	419,436	-23%	-	-		322,221	419,436	-23%
Stormwater	63,747	35,068	82%	-	-		63,747	35,068	82%
Payment to component unit-Hospital	577,850	580,115	0%	-	-		577,850	580,115	0%
Interest on long-term debt	1,556,911	1,727,686	-10%	-	-		1,556,911	1,727,686	-10%
Water	-	-		5,958,886	5,790,815	3%	5,958,886	5,790,815	3%
Sewer	-	-		3,338,640	2,928,912	14%	3,338,640	2,928,912	14%
Sanitation	-	-		2,682,661	2,909,089	-8%	2,682,661	2,909,089	-8%
Airport	-	-		976,821	668,599	46%	976,821	668,599	46%
Total Expenses	26,487,621	25,918,043	2%	12,957,008	12,297,415	5%	39,444,629	38,215,458	3%
Revenues over (under) expenses	5,777,577	10,109,486	-43%	1,805,617	406,407	344%	7,583,194	10,515,893	-28%
Net Transfers	(836,343)	(4,062,918)	-79%	836,343	4,062,918	-79%	-	-	
Increase in Net Position	\$ 4,941,234	\$ 6,046,568	-18%	\$ 2,641,960	\$ 4,469,325	-41%	\$ 7,583,194	\$ 10,515,893	-28%
Net Position - beginning	19,235,293	13,188,725	46%	36,960,588	32,491,263	14%	56,195,881	45,679,988	23%
Net Position - Ending	24,176,527	19,235,293	26%	39,602,548	36,960,588	7%	63,779,075	56,195,881	13%

For the year ended June 30, 2024, on a government-wide basis, the City experienced an improvement in its financial condition resulting in an increase in total net position of \$7,583,194. The decrease in the size from the prior year change in net position can be attributable to a combination of an increase in capital grants and contributions of \$675,152 related mainly to the receipt of airport grants in current year totaling \$901,064. Other general revenues decreased \$2,152,578 from the prior year related mainly to the ARPA grant.

The City's current year governmental activities increase in net position of \$4,941,234 represents a decrease from the increase in net position of \$6,046,568 experienced in the prior year. This year's decrease in the change in net position from the prior year change can be attributable in large part to a decrease in other general revenues of \$2,298,065 related to the ARPA grant and a decrease in net transfers out of \$3,226,575.

The business-type activities experienced a current year increase in net position of \$2,641,960, which represents a decrease from the increase in net position of \$4,469,325 experienced in the prior year. This year's decrease in the change in net position from the prior year change can be attributable in large part to an increase in capital grants and contributions of \$1,210,466, an increase in expenses of \$659,593 and an decrease in net transfers of \$3,226,575.

In reviewing the activity net (expense)/revenue, all business-type functions with the exception of sewer charges for services were sufficient to cover all related expenses.

A FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed its 2024 fiscal year, the governmental funds reported a combined fund balance of \$24,697,575. However, that amount is the result of \$17,823,931 of restricted fund balance, \$6,114,646 of assigned fund balance, and \$758,998 of unassigned fund balance.

For the reasons discussed previously regarding business-type activities, the enterprise funds reported combined net position of approximately \$39.6 million.

The General Fund's total fund balance increased by \$180,578, or 12.5%, which is a significant increase from the decrease in total fund balance of the prior year. This is due in a large part to a decrease in transfers out of \$1,837,809 from the prior year.

The McAlester Public Works Authority enterprise fund reported an increase in net position, after transfers and capital contributions of \$1,456,335 for the year.

General Fund Budgetary Highlights

For the year ended June 30, 2024, the General Fund reported actual budgetary basis amounts available for appropriations below final estimates by \$604,252 or a 2.9% negative variance. The majority of this variance was due to the collection of less tax revenues than budgeted. General Fund actual expenditures were under final appropriations by \$1,666,064 or an 8.3% positive variance. The majority of this variance was due to spending less than the amount budgeted in the Interdepartmental budget, Fire budget, and Streets budget by approximately \$218,000, \$330,000 and \$210,000, respectively.

CAPITAL AND SUBSCRIPTION ASSETS & DEBT ADMINISTRATION

Capital and Subscription Assets

At June 30, 2024, the City had approximately \$93.7 million invested in capital assets including land, buildings, machinery and equipment, park facilities, water, sewer and stormwater systems, roads and bridges and subscription assets. After the effect of accumulated depreciation, this represents a net increase of \$5,454,866 from last year.

Below are details regarding the City's capital assets for the years ended June 30, 2024 and 2023.¹

¹ For more detailed information on capital asset activity please refer to page 47-48, Note 5. Capital Assets and Depreciation

² For more detailed information on long-term debt activity please refer to page 49-55, Note 6. Long-Term Debt and Debt Service Requirements

The City of McAlester's Capital Assets

	Governmental Activities (Restated)		Business-type Activities		Totals (Restated)	
	2024	2023	2024	2023	2024	2023
Land	\$ 1,769,637	\$ 1,769,637	\$ 212,571	\$ 212,571	\$ 1,982,208	\$ 1,982,208
Buildings and Improvements	21,955,246	20,496,004	13,967,079	11,020,532	35,922,325	31,516,536
Machinery and Equipment	15,340,283	14,633,041	6,094,461	5,804,103	21,434,744	20,437,144
Infrastructure	82,114,629	82,114,629	-	-	82,114,629	82,114,629
Utility Property	-	-	61,922,997	61,922,997	61,922,997	61,922,997
Water rights contracts	-	-	719,075	719,075	719,075	719,075
Subscription Assets	178,440	178,440	-	-	178,440	178,440
Construction-in-progress	1,639,356	898,723	22,130,169	16,961,721	23,769,525	17,860,444
Totals	122,997,591	120,090,474	105,046,352	96,640,999	228,043,943	216,731,473
Less Depreciation & Amortization	(84,035,081)	(80,372,970)	(50,307,986)	(48,112,493)	(134,343,067)	(128,485,463)
Totals, Net	\$ 38,962,510	\$ 39,717,504	\$ 54,738,366	\$ 48,528,506	\$ 93,700,876	\$ 88,246,010

This year's more significant capital asset additions include \$1,633,618 for Wastewater Collection System Evaluation Project Phase I, \$346,625 for Thunderbird Park Sewer Improvement Project, \$306,810 for Newton Circle East Sewer Improvement Project, \$189,278 for Coal Creek Raw Water Pump Station Project, \$120,133 for Flight Service Station Demo Project, \$106,496 for Fire Admin Reserve Center Remodel Project Phase I, \$339,067 for Braun F450 4x4 Ambulance, \$368,651 for Colonial Circle Street Improvement Project, \$716,132 for Adams Ave Main to 1st Street and Stormwater Improvements.

Debt Administration

At year-end, the City had \$59.1 million in long-term debt outstanding, which represents a \$205,198 increase from the prior year.²

The City of McAlester's Long-term Debt

	Governmental Activities (Restated)		Business-type Activities		Totals (Restated)	
	2024	2023	2024	2023	2024	2023
Claims liability	\$ 985,363	\$ 1,079,406	\$ -	\$ -	\$ 985,363	\$ 1,079,406
Accrued compensation	2,542,943	2,469,834	284,129	293,794	2,827,072	2,763,628
Notes Payable	312,158	551,418	16,866,280	13,204,791	17,178,438	13,756,209
Revenue Bonds Payable	31,866,085	35,106,278	-	-	31,866,085	35,106,278
Landfill Closure and Post-Closure	-	-	5,501,951	5,371,536	5,501,951	5,371,536
SBITA Obligation Payable	120,876	178,440	-	-	120,876	178,440
Deposits subject to refund	-	-	579,082	598,172	579,082	598,172
Totals	\$ 35,827,425	\$ 39,385,376	\$ 23,231,442	\$ 19,468,293	\$ 59,058,867	\$ 58,853,669

The 2002 Revenue Bonds contain \$746,818, \$704,610, \$664,799, and \$920,949 (par value) of capital appreciation bonds. The accreted value of the first three bonds is \$3,930,000 each, and will require three separate \$3,930,000 payments maturing February 1, 2031, February 1, 2032 and February 1, 2033. The fourth bond will mature on February 1, 2034 and require a payment of \$5,770,000. No payments are required to be made on these bonds until maturity.

ECONOMIC OUTLOOK

Located in the heart of Pittsburg County, McAlester is home to a population of 18,110, with an additional approximately 45,000 people within a 35-mile radius. The city boasts a diverse and vibrant economy, encompassing commercial, industrial, residential, and tourism sectors, and serves as a key employment center in Southeastern Oklahoma. McAlester is committed to fostering sustained economic growth, and prosperity, and enhancing the quality of life for its residents. McAlester boasts a cost of living that is 12.2% lower than the national average, making McAlester an affordable option for both businesses and families. Our long-term focus is on economic vitality, with initiatives aimed at attracting and retaining businesses, building regional partnerships, and expanding the local sales tax base.

Business retention and expansion are central to our economic strategy, with over 75% of new businesses in the area coming from existing companies. The retail sector continues to grow, with promising opportunities for expansion at The Shops at McAlester. Industrial development is also on the rise, highlighted by the construction of a new terminal at the McAlester Regional Airport, upgrades to the Steven Taylor Industrial Park, multiple new businesses relocating to the Steven Taylor Industrial Park, and new projects for mixed-use and residential developments.

The McAlester Army Ammunition Plant (MCAAP), located on a 45,000-acre site, remains the region's largest employer and economic driver. With more than 1,500 employees, MCAAP plays a vital role in the local economy, contributing significantly to the community's sales tax base. The plant's mission includes receiving, storing, shipping, producing, and renovating munitions for the U.S. Army, ensuring its continued impact on regional growth.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City Clerk's Office at 1st and Washington, McAlester, Oklahoma or phone at (918) 423-9300.

BASIC FINANCIAL STATEMENTS

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Government-Wide Statement of Net Position– June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	McAlester Regional Health Center Authority	McAlester Parking Authority
ASSETS					
Cash and cash equivalents	\$ 23,765,667	\$ 6,660,043	\$ 30,425,710	\$ 11,792,067	\$ 58,791
Investments	435,167	167,786	602,953	7,775,542	-
Accounts receivable, net of allowance	290,943	1,861,907	2,152,850	11,824,951	120
Franchise tax receivable	56,241	-	56,241	-	-
Ambulance receivable, net of allowance	62,764	-	62,764	-	-
Court fines receivable, net of allowance	1,814,393	-	1,814,393	-	-
Due from other governments	3,150,133	190,662	3,340,795	-	-
Prepaid items	-	-	-	2,090,495	-
Other receivables	113,162	-	113,162	-	-
Internal balances	64,759	(64,759)	-	-	-
Inventory	-	-	-	2,735,973	-
Investment in joint venture	-	2,252,522	2,252,522	5,562,330	-
Net pension asset	205,606	-	205,606	-	-
Lease receivable	444,610	-	444,610	746,467	-
Capital assets:					
Land, improvements, and construction in progress	3,408,993	23,061,815	26,470,808	2,834,359	-
Other capital assets, net of depreciation	35,553,517	31,676,551	67,230,068	39,895,076	-
Total assets	<u>69,365,955</u>	<u>65,806,527</u>	<u>135,172,482</u>	<u>85,257,260</u>	<u>58,911</u>
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred amounts related to pensions	4,874,496	394,596	5,269,092	-	-
Deferred amount on refunding	285,379	-	285,379	-	-
Total deferred outflows of resources	<u>5,159,875</u>	<u>394,596</u>	<u>5,554,471</u>	<u>-</u>	<u>-</u>
LIABILITIES:					
Accounts payable	697,632	2,165,508	2,863,140	10,069,047	448
Accrued payroll liabilities	441,382	73,792	515,174	7,297,733	-
Accrued interest payable	574,925	89,789	664,714	-	-
Estimated amounts due to third-party payers	-	-	-	557,330	-
Due to other governments	-	4,733	4,733	-	-
Due to bondholders	18,220	-	18,220	-	-
Unearned revenue	897,422	96,280	993,702	-	40
Long-term liabilities:					
Due within one year	4,726,031	1,350,546	6,076,577	8,900,841	-
Due in more than one year	41,172,006	22,803,186	63,975,192	10,712,529	-
Total liabilities	<u>48,527,618</u>	<u>26,583,834</u>	<u>75,111,452</u>	<u>37,537,480</u>	<u>488</u>
DEFERRED INFLOWS OF RESOURCES:					
Deferred amounts related to leases	442,185	-	442,185	750,198	-
Deferred amounts related to pensions	1,379,500	14,741	1,394,241	-	-
Total deferred inflows of resources	<u>1,821,685</u>	<u>14,741</u>	<u>1,836,426</u>	<u>750,198</u>	<u>-</u>
NET POSITION:					
Net investment in capital assets	6,948,770	37,872,086	44,820,856	23,116,065	-
Restricted for emergencies	1,882,145	-	1,882,145	-	-
Restricted for economic development-bonds	800,000	-	800,000	-	-
Restricted for E911	228,960	-	228,960	-	-
Restricted for debt service	7,776,905	-	7,776,905	-	-
Restricted for stormwater	2,920,667	-	2,920,667	-	-
Restricted for other	3,640,329	-	3,640,329	2,486,154	-
Unrestricted (deficit)	(21,249)	1,730,462	1,709,213	21,367,363	58,423
Total net position	<u>\$ 24,176,527</u>	<u>\$ 39,602,548</u>	<u>\$ 63,779,075</u>	<u>\$ 46,969,582</u>	<u>\$ 58,423</u>

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Government-Wide Statement of Activities –Year Ended June 30, 2024

Functions/Programs	Program Revenue				Net (Expense) Revenue and Changes in Net Position			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			McAlester Regional Health Center Authority	McAlester Parking Authority
					Governmental Activities	Business-type Activities	Total		
Primary government									
Governmental Activities									
Legislature	\$ 451,562	\$ -	\$ -	\$ -	\$ (451,562)	\$ -	\$ (451,562)	\$ -	\$ -
Administration	5,205,105	578,300	201,034	-	(4,425,771)	-	(4,425,771)	-	-
Public safety	10,426,894	2,057,707	1,273,296	41,061	(7,054,830)	-	(7,054,830)	-	-
Community services	2,792,422	121,559	223,731	141,258	(2,305,874)	-	(2,305,874)	-	-
Administration services	1,031,322	173,590	-	-	(857,732)	-	(857,732)	-	-
Health and welfare	273,225	-	49,369	-	(223,856)	-	(223,856)	-	-
Public Works	3,786,362	9,565	171,944	135,102	(3,469,751)	-	(3,469,751)	-	-
Economic development	322,221	-	114,350	-	(207,871)	-	(207,871)	-	-
Stormwater	63,747	1,234,279	-	-	1,170,532	-	1,170,532	-	-
Hospital (payment to component unit)	577,850	-	-	-	(577,850)	-	(577,850)	-	-
Interest on long-term debt	1,556,911	-	-	-	(1,556,911)	-	(1,556,911)	-	-
Total governmental activities	26,487,621	4,175,000	2,033,724	317,421	(19,961,476)	-	(19,961,476)	-	-
Business-type activities:									
Water	5,958,886	6,012,867	44,427	-	-	98,408	98,408	-	-
Sewer	3,338,640	2,733,837	-	126,525	-	(478,278)	(478,278)	-	-
Sanitation	2,682,661	3,623,442	-	-	-	940,781	940,781	-	-
Airport	976,821	511,185	-	1,271,086	-	805,450	805,450	-	-
Total business-type activities	12,957,008	12,881,331	44,427	1,397,611	-	1,366,361	1,366,361	-	-
Total primary government	39,444,629	17,056,331	2,078,151	1,715,032	(19,961,476)	1,366,361	(18,595,115)	-	-
Component Units:									
Parking	\$ 11,542	\$ 2,600	-	-					\$ (8,942)
Hospital	110,708,685	97,623,241	614,703	706,462				\$ (11,764,279)	
Total component units	\$ 110,720,227	\$ 97,625,841	\$ 614,703	\$ 706,462				\$ (11,764,279)	\$ (8,942)
General revenues:									
Taxes:									
Sales and use taxes					\$ 20,631,821	\$ -	\$ 20,631,821	\$ -	\$ -
Franchise and public service taxes					645,052	-	645,052	-	-
Hotel/motel taxes					721,677	-	721,677	-	-
E-911 taxes					630,867	-	630,867	-	-
Property taxes					15	-	15	-	-
Sales tax increment					1,494,121	-	1,494,121	-	-
Intergovernmental revenue not restricted to specific programs					426,478	-	426,478	1,990,713	-
Investment income					774,505	177,202	951,707	1,170,799	-
Miscellaneous					414,517	262,054	676,571	-	-
Transfers from primary government					-	-	-	577,850	-
Transfers - internal activity					(836,343)	836,343	-	-	-
Total general revenues and transfers					24,902,710	1,275,599	26,178,309	3,739,362	-
Change in net position					4,941,234	2,641,960	7,583,194	(8,024,917)	(8,942)
Net position - beginning					19,235,293	36,960,588	56,195,881	54,994,499	67,365
Net position - ending					\$ 24,176,527	\$ 39,602,548	\$ 63,779,075	\$ 46,969,582	\$ 58,423

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Balance Sheet - June 30, 2024

	<u>Special Revenue</u>		<u>Debt Service</u>			
	<u>General Fund</u>	<u>Reserve Fund</u>	<u>Dedicated Sales Tax - MPWA</u>	<u>Bond Trustee Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 2,217,368	\$ 1,882,145	\$ 767,284	\$ 6,121,676	\$ 12,709,996	\$ 23,698,469
Investments	167,786	-	-	-	267,381	435,167
Receivables:						
Accounts receivable, net of allowance	-	-	-	-	290,943	290,943
Due from other funds	4,840	-	-	-	800,000	804,840
Due from other governments	1,645,649	-	612,228	-	892,256	3,150,133
Franchise tax receivable	56,241	-	-	-	-	56,241
Court fines receivable, net of allowance	1,814,393	-	-	-	-	1,814,393
Ambulance receivable, net of allowance	62,764	-	-	-	-	62,764
Other receivables	2,664	-	-	-	110,498	113,162
Lease receivable	-	-	-	-	444,610	444,610
Total assets	<u>\$ 5,971,705</u>	<u>\$ 1,882,145</u>	<u>\$ 1,379,512</u>	<u>\$ 6,121,676</u>	<u>\$ 15,515,684</u>	<u>\$ 30,870,722</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 460,641	\$ -	\$ 1,500	\$ -	\$ 230,437	\$ 692,578
Accrued payroll liabilities	410,994	-	-	-	22,797	433,791
Due to other funds	1,678,166	-	-	-	4,840	1,683,006
Unearned revenue	3,866	-	-	-	893,556	897,422
Due to bondholders	18,220	-	-	-	-	18,220
Total liabilities	<u>2,571,887</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>1,151,630</u>	<u>3,725,017</u>
Deferred Inflows of Resources:						
Deferred Inflows-Leases	-	-	-	-	442,185	442,185
Unavailable revenue	1,771,094	-	-	-	234,851	2,005,945
Total deferred inflows of resources	<u>1,771,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>677,036</u>	<u>2,448,130</u>
Fund balances:						
Restricted	-	1,882,145	1,378,012	6,121,676	8,442,098	17,823,931
Assigned	869,726	-	-	-	5,244,920	6,114,646
Unassigned	758,998	-	-	-	-	758,998
Total fund balances	<u>1,628,724</u>	<u>1,882,145</u>	<u>1,378,012</u>	<u>6,121,676</u>	<u>13,687,018</u>	<u>24,697,575</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 5,971,705</u>	<u>\$ 1,882,145</u>	<u>\$ 1,379,512</u>	<u>\$ 6,121,676</u>	<u>\$ 15,515,684</u>	<u>\$ 30,870,722</u>

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Total fund balance, governmental funds	\$	24,697,575
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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/amortization of \$84,035,081		38,962,510
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Certain other long-term assets and deferred outflow s are not available to pay current period expenditures and therefore are deferred or not reported in the funds:

Grants receivable		68,918
Court fines receivable, net of allow ance for doubtful accounts \$1,814,394		1,755,478
Ambulance receivable, net of allow ance for doubtful accounts \$400,245		15,616
Accounts receivable, net of allow ance for doubtful accounts \$236,683		165,933
Pension related deferred outflow s		4,874,496
Deferred outflow on refunding		285,379
Net pension asset		205,606
		<hr/> 7,371,426 <hr/>

Certain long-term liabilities and related accounts, are not due and payable from current financial resources and therefore, they, along w ith deferred inflow s, are not reported in the funds:

Accrued interest payable		(574,925)
Notes payable		(312,158)
Revenue bonds payable		(31,866,085)
SBITA obligation payable		(120,876)
Accrued compensated absences		(2,530,828)
Net pension liability		(10,070,612)
Pension related deferred inflow s		(1,379,500)
		<hr/> (46,854,984) <hr/>

Net Position of Governmental Activities in the Statement of Net Position	\$	24,176,527
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See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances – Year Ended June 30, 2024

		Special Revenue	Debt Service			
			Dedicated		Other	Total
	General Fund	Reserve Fund	Sales Tax - MPWA	Bond Trustee Fund	Governmental Funds	Governmental Funds
REVENUES						
Taxes	\$ 13,509,805	\$ -	\$ 4,630,594	\$ -	\$ 5,983,154	\$ 24,123,553
Intergovernmental	2,186,488	-	-	-	845,603	3,032,091
Charges for services	1,933,958	-	-	-	1,526,663	3,460,621
Fines and forfeitures	596,608	-	-	-	-	596,608
Licenses and permits	128,445	-	-	-	-	128,445
Investment earnings	254,266	101,868	25,475	260,218	132,678	774,505
Miscellaneous	170,565	-	-	-	734,861	905,426
Total revenues	18,780,135	101,868	4,656,069	260,218	9,222,959	33,021,249
EXPENDITURES						
Current:						
Legislature	451,562	-	-	-	-	451,562
Administration	5,056,307	-	4,500	-	135,761	5,196,568
Public safety	9,437,757	-	-	-	712,731	10,150,488
Community services	1,688,963	-	-	-	609,850	2,298,813
Administrative services	689,642	-	-	-	343,460	1,033,102
Health and welfare	286,976	-	-	-	-	286,976
Public works	1,249,746	-	-	-	-	1,249,746
Economic development	-	-	-	-	330,264	330,264
Payment to MRHC-Cancer Center	-	-	-	-	577,850	577,850
Capital Outlay	34,525	-	-	-	4,638,119	4,672,644
Debt Service:						
Principal	57,564	-	-	3,845,000	239,260	4,141,824
Interest and other charges	5,875	-	-	890,800	5,393	902,068
Total expenditures	18,958,917	-	4,500	4,735,800	7,592,688	31,291,905
Excess (deficiency) of revenues over (under) expenditures	(178,782)	101,868	4,651,569	(4,475,582)	1,630,271	1,729,344
OTHER FINANCING SOURCES (USES)						
Transfers in	1,000,000	-	-	4,545,391	3,798,879	9,344,270
Transfers out	(640,640)	(2,200,000)	(4,545,391)	-	(1,538,555)	(8,924,586)
Total other financing sources and uses	359,360	(2,200,000)	(4,545,391)	4,545,391	2,260,324	419,684
Net change in fund balances	180,578	(2,098,132)	106,178	69,809	3,890,595	2,149,028
Fund balances - beginning	1,448,146	3,980,277	1,271,834	6,051,867	9,796,423	22,548,547
Fund balances - ending	\$ 1,628,724	\$ 1,882,145	\$ 1,378,012	\$ 6,121,676	\$ 13,687,018	\$ 24,697,575

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Reconciliation of Governmental Funds and Government-Wide Financial Statements:

Net change in fund balances - total governmental funds: \$ 2,149,028

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

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

Capital asset purchases capitalized	4,381,100
Capital assets purchased for business-type activities	(1,310,138)
Depreciation expense	(3,825,956)
	(754,994)

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

Change in unavailable revenue	(268,937)
	(268,937)

In the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as an element of pension expense. The fund financial statements report pension contributions as expenditures.

439,478

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:

Revenue bond principal payments	3,845,000
Accretion of capital appreciation revenue bonds	(604,807)
SBITA obligations payable principal payments	57,564
Notes payable principal payments	239,260
	3,537,017

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Change in accrued interest expense	44,045
Amortization of deferred outflow on refunding	(94,081)
Change in accrued compensated absences expenses	(110,322)
	(160,358)

Change in net position of governmental activities	\$ 4,941,234
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See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Net Position - June 30, 2024

	Enterprise Funds			
	McAlester Public Works Authority	McAlester Airport Authority	Total	Internal Service Funds
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 5,682,556	\$ 398,405	\$ 6,080,961	\$ 67,198
Restricted cash and cash equivalents	579,082	-	579,082	-
Investments	167,786	-	167,786	-
Due from other funds	-	-	-	942,925
Accounts receivable, net	1,853,500	8,407	1,861,907	-
Due from other governments	-	190,662	190,662	-
Total current assets	8,282,924	597,474	8,880,398	1,010,123
Noncurrent assets:				
Investment in joint venture	2,252,522	-	2,252,522	-
Capital assets:				
Land and other non-depreciable assets	21,332,884	1,728,931	23,061,815	-
Other capital assets, net of depreciation	25,514,471	6,162,080	31,676,551	-
Total noncurrent assets	49,099,877	7,891,011	56,990,888	-
Total assets	57,382,801	8,488,485	65,871,286	1,010,123
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	377,260	17,336	394,596	-
LIABILITIES				
Current liabilities:				
Accounts payable	1,844,217	321,291	2,165,508	5,054
Accrued payroll liabilities	69,074	4,718	73,792	7,591
Due to other funds	64,759	-	64,759	-
Due to other governments	4,733	-	4,733	-
Interest payable	89,789	-	89,789	-
Unearned revenue	96,280	-	96,280	-
Claims liability	-	-	-	98,536
Due to depositors	115,816	-	115,816	-
Notes payable	1,206,317	-	1,206,317	-
Accrued compensated absences	27,555	858	28,413	1,212
Total current liabilities	3,518,540	326,867	3,845,407	112,393
Noncurrent liabilities:				
Claims liability	-	-	-	886,827
Landfill closure and postclosure liability	5,501,951	-	5,501,951	-
Due to depositors	463,266	-	463,266	-
Notes payable	15,659,963	-	15,659,963	-
Accrued compensated absences	247,997	7,719	255,716	10,903
Net pension liability	878,959	43,331	922,290	-
Total non-current liabilities	22,752,136	51,050	22,803,186	897,730
Total liabilities	26,270,676	377,917	26,648,593	1,010,123
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	14,048	693	14,741	-
NET POSITION				
Net investment in capital assets	29,981,075	7,891,011	37,872,086	-
Unrestricted	1,494,262	236,200	1,730,462	-
Total net position	\$ 31,475,337	\$ 8,127,211	\$ 39,602,548	\$ -

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Revenues, Expenses, and Changes in Net Position - Year Ended June 30, 2024

	Enterprise Funds			
	McAlester Public Works Authority	McAlester Airport Authority	Total	Internal Service Funds
OPERATING REVENUES				
Charges for services:				
Water	\$ 3,584,709	\$ -	\$ 3,584,709	\$ -
Sewer	2,579,965	-	2,579,965	-
Sanitation	3,225,445	-	3,225,445	-
Water taps	44,676	-	44,676	-
Sewer taps	8,560	-	8,560	-
Water districts	2,181,580	-	2,181,580	-
Landfill	1,609	-	1,609	-
Penalties	308,997	-	308,997	-
Recycle fees	38,217	-	38,217	-
Subtitle "D" fees	396,388	-	396,388	-
Airport rents and fees	-	97,721	97,721	-
Aviation fuel sales	-	413,464	413,464	-
Self insurance charges	-	-	-	988,497
Miscellaneous	-	-	-	31,622
Total operating revenues	12,370,146	511,185	12,881,331	1,020,119
OPERATING EXPENSES				
Utility office	583,885	-	583,885	-
Interdepartmental	1,022,767	-	1,022,767	-
Sanitation	2,438,565	-	2,438,565	-
Engineering	282,225	-	282,225	-
Sewer	1,113,540	-	1,113,540	-
Water	2,245,277	-	2,245,277	-
Utility maintenance	1,698,311	-	1,698,311	-
Landfill	318,295	-	318,295	-
Airport	-	666,525	666,525	-
Fleet maintenance	-	-	-	598,667
Claims expense	-	-	-	421,452
Depreciation expense	1,900,178	310,296	2,210,474	-
Total operating expenses	11,603,043	976,821	12,579,864	1,020,119
Operating income (loss)	767,103	(465,636)	301,467	-
NON-OPERATING REVENUES (EXPENSES)				
Investment income	177,202	-	177,202	-
Interest expense and fiscal charges	(297,646)	-	(297,646)	-
Miscellaneous revenue	261,562	492	262,054	-
Operating grant revenue	44,427	-	44,427	-
Gain on sale of assets	3,262	-	3,262	-
Gain on joint venture	109,676	-	109,676	-
Total non-operating revenue (expenses)	298,483	492	298,975	-
Income (loss) before contributions and transfers	1,065,586	(465,144)	600,442	-
Capital contributions	1,097,883	1,363,319	2,461,202	-
Transfers in	1,496,164	287,450	1,783,614	-
Transfers out	(2,203,298)	-	(2,203,298)	-
Change in net position	1,456,335	1,185,625	2,641,960	-
Total net position - beginning	30,019,002	6,941,586	36,960,588	-
Total net position - ending	\$ 31,475,337	\$ 8,127,211	\$ 39,602,548	\$ -

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Proprietary Funds Statement of Cash Flows - Year Ended June 30, 2024

	Enterprise Funds			Internal
	McAlester Public Works Authority	McAlester Airport Authority	Total	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 12,161,631	\$ 511,750	\$ 12,673,381	\$ -
Payments to suppliers	(5,614,127)	(177,332)	(5,791,459)	(787,213)
Payments to employees	(2,853,833)	(230,145)	(3,083,978)	(370,198)
Receipts of customer meter deposits	98,872	-	98,872	-
Refund of customer meter deposits	(117,962)	-	(117,962)	-
Other receipts	419,214	492	419,706	1,137,618
Net Cash Provided (Used) by Operating Activities	4,093,795	104,765	4,198,560	(19,793)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers from other funds	1,496,164	287,450	1,783,614	-
Transfers to other funds	(2,203,298)	-	(2,203,298)	-
Net Cash Provided by (Used in) Noncapital Financing Activities	(707,134)	287,450	(419,684)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(5,729,651)	(1,380,545)	(7,110,196)	-
Proceeds from capital grant	-	1,078,960	1,078,960	-
Proceeds from sale of capital assets	3,262	-	3,262	-
Proceeds from issuance of debt	4,881,244	-	4,881,244	-
Principal payment of capital debt	(1,219,755)	-	(1,219,755)	-
Interest and fiscal charges paid on capital debt	(276,409)	-	(276,409)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(2,341,309)	(301,585)	(2,642,894)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	177,202	-	177,202	-
Sale of investments	149,969	-	149,969	-
Net Cash Provided by Investing Activities	327,171	-	327,171	-
Net Increase (Decrease) in Cash and Cash Equivalents	1,372,523	90,630	1,463,153	(19,793)
Balances - beginning of the year	4,889,115	307,775	5,196,890	86,991
Balances - end of the year	\$ 6,261,638	\$ 398,405	\$ 6,660,043	\$ 67,198
Reconciliation to Statement of Net Position:				
Cash and cash equivalents	\$ 5,682,556	\$ 398,405	\$ 6,080,961	\$ 67,198
Restricted cash and cash equivalents-current	579,082	-	579,082	-
Total cash and cash equivalents, end of year	\$ 6,261,638	\$ 398,405	\$ 6,660,043	\$ 67,198
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 767,103	\$ (465,636)	\$ 301,467	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation expense	1,900,178	310,296	2,210,474	-
Operating grant	47,976	-	47,976	-
Other non-operating revenues (expenses)	371,238	492	371,730	-
Change in assets, liabilities and deferrals:				
Receivables, net	(136,919)	565	(136,354)	-
Due from other funds	-	-	-	117,499
Investment in joint venture	(110,675)	-	(110,675)	-
Deferred amounts related to pensions	155,781	16,017	171,798	-
Accounts payable	1,134,906	256,953	1,391,859	(6,721)
Accrued payroll liabilities	23,306	831	24,137	685
Due to other governments	1,119	-	1,119	-
Claims liability	-	-	-	(94,043)
Unearned revenue	(71,596)	-	(71,596)	-
Due to depositors	(19,090)	-	(19,090)	-
Landfill closure liability	130,415	-	130,415	-
Net pension liability	(86,837)	(18,198)	(105,035)	-
Accrued compensated absences	(13,110)	3,445	(9,665)	(37,213)
Net Cash Provided (Used in) by Operating Activities	\$ 4,093,795	\$ 104,765	\$ 4,198,560	\$ (19,793)
Noncash capital and related financing activities:				
Capital assets contributed from governmental funds	\$ 1,097,883	\$ 212,255	\$ 1,310,138	\$ -

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Statement of Fiduciary Net Position – Pension Trust Fund - June 30, 2024

	Defined Benefit Retirement Plan and Trust Fund
ASSETS	
Cash and cash equivalents	\$ 695,069
Investments:	
Corporate bonds	522,412
Exchange-traded closed-end funds	1,439,506
Mortgage and asset backed securities	554,001
Government treasury securities	217,721
Mutual funds	10,398,483
Common stocks	14,399
Interest receivable	9,974
Total assets	<u>13,851,565</u>
LIABILITIES	
Accounts payable	<u>1,938</u>
NET POSITION	
Net position restricted for pensions	<u>\$ 13,849,627</u>

Statement of Changes in Fiduciary Net Position – Pension Trust Fund - Year Ended June 30, 2024

	Defined Benefit Retirement Plan and Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 496,627
Total contributions	<u>496,627</u>
Investment income:	
Interest income	628,073
Realized and unrealized net gain on investments	1,224,011
Investment expenses	(85,940)
Net investment income	<u>1,766,144</u>
Total additions	<u>2,262,771</u>
DEDUCTIONS	
Benefits paid to participants or beneficiaries	1,274,738
Total deductions	<u>1,274,738</u>
Change in net position held in trust for employees' pension benefits	988,033
Net position - beginning	12,861,594
Net position - ending	<u>\$ 13,849,627</u>

See accompanying notes to the basic financial statements.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Footnotes to the Basic Financial Statements:

1. Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City's financial reporting entity includes the primary government (City of McAlester), four blended component units, and two discretely presented component units as noted below.

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 for which the City is financially accountable.

The City of McAlester – operates the public safety, health and welfare, streets and highways, parks and recreation, stormwater and administrative activities.

The City of McAlester is an incorporated municipality with a population of approximately 18,110 located in southeast Oklahoma. The City operates under the Council-Manager form of government and operates under a charter that provides for three branches of government:

- Legislative – the City Council is a seven-member governing body. Mayor is elected by the citizens at large and other six members are elected by ward.
- Executive – the City Manager is the Chief Executive Officer and is appointed by the City Council
- Judicial – the Municipal Judge is a practicing attorney appointed by the City Manager, confirmed by the City Council.

The City provides typical municipal services such as public safety, health and welfare, street and alley maintenance, parks and recreation, economic development, certain utility services including water, wastewater, sanitation, and airport activities.

Component Units:

Because the component units are financially accountable to the City, the City's governing body serves as the trustees for these public trusts, and they are all managed by the same management team of the City, when active, the following component units are blended into the City's primary government presentation as funds of the primary government for reporting purposes:

The McAlester Public Works Authority – operates the water, wastewater, and sanitation/landfill activities of the City, with the McAlester City Council serving as trustees of the Authority.

The McAlester Airport Authority – develops and operates the airport with the McAlester City Council serving as trustees of the Authority.

The McAlester National Defense & Industrial Development Authority – promotes the development of industry and culture and industrial, manufacturing, cultural and education activities, with the McAlester City Council serving as trustees of the Authority. This trust would be reported as a blended component unit, but currently has no financial activity.

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

The McAlester Economic Development Authority – an inactive trust that promotes economic development and growth, with the McAlester City Council serving as trustees of the Authority. This trust would be reported as a blended component unit, but currently has no financial activity.

Component units that are discretely presented in the City’s report in a separate column are presented below:

The McAlester Regional Health Center Authority – operates to finance and develop the health center facilities of the City. The MRHCA governing body is appointed by the current City Council. This city has both a financial benefit/burden relationship and is able to impose its will on the Authority, and the Authority does not meet any of the criteria for blending. Separate audited component unit financial statements are issued by the Regional Health Center Authority and may be obtained at their administrative offices.

The McAlester Parking Authority (MPA) – operates to furnish and supply public off-street parking services and facilities. The MPA governing body is appointed by the current City Council. This city has both a financial benefit/burden relationship and is able to impose its will on the Authority, and the Authority does not meet any of the criteria for blending. The MPA does not issue separate audited component unit financial statements.

All 6 of the above component units are Public Trusts established pursuant to Title 60 of Oklahoma State law. 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. In accordance with state law, all debt obligations incurred by public trusts require 2/3 approval by the City Council. In addition, the City may have also 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.

Joint Venture:

Association for Landfill Financial Assurance (ALFA) – A non-profit Oklahoma corporation organized for the exclusive benefit of cities, towns, counties, solid waste districts and public trusts within the State of Oklahoma that own and/or operate municipal solid waste landfills within the jurisdiction of the State of Oklahoma, including the making and management of investments on behalf of such public entities in order to provide the financial assurances as required by Subtitle D of the Resource Conservation and Recovery Act of 1976.

B. Basis of Presentation and Accounting

Government-Wide Financial Statements:

The statements of net position and activities are reported on the accrual basis of accounting and economic resources measurement focus. Under the accrual basis of accounting, revenues are recognized when earned and expenses (including depreciation and amortization) are recorded when the liability is incurred or economic asset used. In accordance with the economic resources measurement focus, all assets and liabilities, both current and noncurrent are reported, along with any related deferred outflows and deferred inflows.

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Program revenues within the statement of activities that are derived directly from each activity or from parties outside the City's taxpayers are reported as program revenues. The City has the following program revenues in each activity:

- Administration – oil and gas leases, rent, hotel/motel charges for services, and capital and operating grants and contributions
- Public safety – Fire and Police – fines and forfeitures, fire run charges, ambulance revenue, and capital and operating grants and contributions
- Community services – cemetery openings and closings, swimming pool revenues, complex concessions and rentals, and capital and operating grants and contributions
- Administration services – abatements and licenses and permits
- Health and welfare – nutrition operating grant
- Public works – gas excise and vehicle tax shared by the State, street cuts and capital grants and contributions
- Economic development – capital and operating grants and contributions
- Stormwater – stormwater fees

All other governmental revenues are reported as general. All taxes are classified as general revenue even if restricted for a specific purpose.

Governmental Funds:

The City's governmental funds are comprised of the following:

Major Funds:

- General Fund – accounts for general operations of the City including: public safety, parks, public facilities, and street maintenance.
- Reserve Fund – special revenue fund that maintains 10% of the total operating budget including capital improvements to be used for emergencies as determined by council.
- Dedicated Sales Tax MPWA – debt service fund that accounts for revenue received from a sales tax (one-cent) approved by the voters to be used for financing debt related to capital improvements.
- Bond Trustee Fund – debt service fund that accounts for transfers received from other funds to be used for financing non-business-type activity revenue bond debt.

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Aggregated Non-Major Funds (reported as Other Governmental Funds):

Special Revenue Funds:

- Juvenile Fine Fund – accounts for revenues from fines restricted by state for juvenile programs.
- Tourism Fund – accounts for revenues of a hotel/motel tax levy and rentals/concessions to be expended for promotion of tourism.
- E-911 Fund – accounts for E-911 revenues legally restricted for E-911 services.
- Gifts & Contributions Fund – accounts for revenues and expenditures of donor restricted monies.
- Stormwater Fund – accounts for revenues of a stormwater fee to be expended solely for stormwater projects.
- Economic Development Fund – accounts for revenue received from a sales tax (1/4 of one-cent) approved by the voters, rental income, and grants to be used for financing debt related to economic development and for future economic development projects. The 1/4 of one-cent sales tax ended July 1, 2018.
- MRHC-Cancer Center Fund – accounts for revenue received from a sales tax (1/8 of one-cent) approved by the voters to be used for constructing a cancer treatment center.
- Child Abuse Response Fund – accounts for revenues from fines restricted for child abuse programs.

Capital Project Funds:

- Police Grant Fund – accounts for revenues and capital expenditures related to Local Law Enforcement Block Grants.
- State Forfeiture Fund – accounts for revenues received from state drug forfeitures restricted for equipment purchases.
- Cemetery Perpetual Care – accounts for 12.5% of all cemetery revenues which are legally restricted for cemetery capital outlay.
- CDBG Grants Fund – accounts for revenues and capital expenditures related to CDBG grants.
- Federal Forfeiture Fund – Accounts for revenues received from federal drug forfeitures restricted for equipment purchases.
- Fire Improvement Grant Fund – accounts for revenues and capital expenditures related to fire grants.
- Capital Improvement Plan Fund – capital project fund that accounts for monies initially set aside by City Council for repayment of previously determined unsupportable bond activity.
- Technology Fund – accounts for revenues received from a technology fee, one-half of which is restricted for technology capital purchases and upgrades.
- Infrastructure Fund – accounts for revenues received from a sales tax (1/2 of one-cent) approved by the voters and a technology fee, one-half of which is restricted for funding repairs, maintenance, construction and improvements to City infrastructure, including but not limited to capital improvements to water and sewer infrastructure, streets, roadways, and other public facilities.
- American Rescue Plan Fund – capital project fund that accounts for revenues and capital expenditures related to ARPA grants.
- Police Equipment Fund – accounts for revenues received for court fees restricted for police capital expenditures.

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Debt Service Fund:

- Sales Tax Schools Fund – accounts for revenue received from sales tax (1/4 of one-cent through 7-1-18, 1/8 of one-cent effective 10-1-18) approved by the voters to be used for acquisition and financing of a new early childhood center & safe rooms at the school.
- Sinking Fund – accounts for revenue received from property tax to be used for payment of judgments added to the tax rolls.
- OWRB Debt Service Fund – accounts for revenue received from sales tax (1/4 of one-cent effective 4-1-22) approved by the voters to be used for financing of a waterline improvement project through OWRB.

The governmental funds are reported on the modified accrual basis of accounting and current financial resources measurement focus. On the modified accrual basis of accounting revenues are recorded when earned and measurable and available to pay current financial obligations, while expenditures are recorded when incurred and normally payable from current financial resources. The City defines revenue availability as collected within 60 days of period end.

The reconciliation of the governmental funds financial statements to the governmental activities presentation in the government-wide financial statements is the result of the use of the economic resources measurement focus and accrual basis of accounting at the government-wide level.

Proprietary Funds:

When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds include enterprise funds and internal service funds. Enterprise funds are used to account for business-like activities provided to the general public. Internal service funds are used to account for business-type activities provided within the government. Proprietary funds are reported on the accrual basis of accounting and economic resources measurement focus. For example, proprietary fund capital assets are capitalized and depreciated and principal payments on long-term debt are recorded as a reduction to the liability.

The City's enterprise funds include the following major funds:

- McAlester Public Works Authority Fund - that accounts for the activities of the McAlester Public Works Authority public trust in providing water, sewer, and sanitation services to the public.
- McAlester Airport Authority Fund - that currently accounts for airport fees and grants used in providing airport services.

The City's internal service funds include the following:

- Worker's Compensation Fund – that accounts for the activities of providing worker's compensation to the employees of the City.
- FLEET Maintenance Fund – that accounts for the activities of providing FLEET maintenance to the City.

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For purposes of the statement of revenues, expenses and changes in fund net position, operating revenues and expenses are considered those whose cash flows are related to operating activities, while revenues and expenses related to financing, capital and investing activities are reported as non-operating or transfers and contributions.

Fiduciary Fund:

The City has one fiduciary fund - the City of McAlester Defined Benefit Retirement Plan and Trust Fund. The pension trust fund accounts for retirement contributions and investment income for the direct benefit of employees other than those employees covered by the statewide fire and police cost-sharing pension plans, or those covered by the City's defined contribution agent multi-employer OMRP pension plan. The pension trust fund is reported on the accrual basis of accounting and economic resources measurement focus.

C. Cash, Cash Equivalents, and Investments

For the purposes of the statements of net position, balance sheets, and statement of cash flows, cash and cash equivalents includes all demand and savings accounts, certificates of deposit, and short-term investments with an original maturity of three-months or less, and money market investments. Investments consist of long-term time deposits, and U.S. agency bonds and notes. Certificates of deposit are reported at cost while investments in the U.S. agency bonds and notes and other marketable investments are reported at fair value.

D. Inventories

Inventories of goods and supplies on hand at year end are not material for the primary government. Therefore, purchases of inventory type items are recorded as expenditures or expenses at the time purchased, and no balances for such inventories on hand are reported.

For the Regional Health Center Authority component unit reported inventories are reported on the lower of cost (first-in, first-out) or market.

E. Capital Assets and Depreciation

The accounting treatment of property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund type or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide and proprietary fund financial statements, property, plant and equipment are accounted for as capital assets, net of accumulated depreciation where applicable. In the governmental fund financial statements, capital assets acquired are accounted for as capital outlay expenditures and not reported as capital assets.

Capital assets consist of land, land improvement, construction in progress, buildings and building improvements, machinery and equipment, and infrastructure. A capitalization threshold of \$2,500 is used for additions, other than land, to report capital assets. Capital assets are reported at actual or estimated historical cost. Prior to July 1, 2001, governmental activities' infrastructure assets were not capitalized.

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These assets have been valued at estimated historical cost. Donated assets are recorded at their acquisition value at the date of donation.

Depreciable capital assets are depreciated on a straight-line basis over useful lives. The range of estimated useful lives by type of asset is as follows:

• Buildings	20 – 100 years
• Improvements other than buildings	20 - 100 years
• Equipment and vehicles	3 - 25 years
• Infrastructure	15 - 50 years

Lease assets are initially recorded at the initial measurement of the lease liability, plus lease payments made at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease, plus initial direct costs that are ancillary to place the asset into service. Lease assets are amortized on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

Subscription assets are initially recorded at the initial measurement of the subscription liability, plus subscription payments made at or before the commencement of the subscription-based information technology arrangement (SBITA) term, less any SBITA vendor incentives received from the SBITA vendor at or before the commencement of the SBITA term, plus capitalizable initial implementation costs. Subscription assets are amortized on a straight-line basis over the shorter of the SBITA term or the useful life of the underlying IT asset.

F. Long-Term Debt

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

All long-term debt to be repaid from governmental activities, business-type activities, proprietary fund and component unit resources are reported as liabilities as incurred. The long-term debt consists primarily of accrued compensated absences, capital leases payable, and revenue bonds payable. This long-term debt is reported net of unamortized premiums and discounts.

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.

G. Compensated Absences

Under terms of union contracts and City personnel policies, City employees are granted comp time, vacation and sick leave in varying amounts. In the event of termination, an employee is paid for accumulated vacation and comp time. The estimated liabilities for vested benefits also include salary-related payments such as employment taxes. Compensated absences are reported as accrued in the government-wide, proprietary, fiduciary and component unit financial statements. Governmental funds report only the matured compensated absences payable to currently terminating or retiring employees.

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H. Deferred Outflow/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditure) until then. The government only has two items that qualify for reporting in this category. The City reports deferred outflows related to pensions and debt refunding.

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenues) until that time. The governmental funds report unavailable revenues from court fines, technology and infrastructure fees, ambulance, and grants, and also reports deferred amount related to leases receivable. For all of these except leases, these amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government-wide Statement of Net Position reports only deferred inflows for pension and leases.

Lease-related amounts are recognized at the inception of leases in which the city and the MPWA is the lessor and are recorded in an amount equal to the corresponding lease receivable plus certain additional amounts received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Leases

The City is a party as lessor for various non-cancellable long-term leases of land, buildings and infrastructure. The corresponding lease receivables are recorded in an amount equal to the present value of the expected future minimum lease payments received, discounted by an applicable interest rate.

I. Fund Balances and Net Position

Net Position:

Net position reported in the government-wide, proprietary fund and fiduciary fund financial statements are displayed in three components:

- a. *Net investment in capital assets* - Consists of capital assets including 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 improvements of those assets.
- b. *Restricted net position* - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* - All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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

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Fund Statements:

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

- a. Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted – consists of fund balance with constraints place on the use of resources either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- c. Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the city’s highest level of decision-making authority. The City’s highest level of decision-making authority is made by ordinance. The City currently reports no committed fund balance.
- d. Assigned – includes amounts that are constrained by the city’s intent to be used for specific purposes but are neither restricted nor committed. Assignments of fund balance may be made by city council action or management decision when the city council has delegated that authority. Currently, the city council has delegated that authority to the city manager. Assignments for transfers and interest income for governmental funds are made through the budgetary process.
- e. Unassigned – represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes within the general fund.

It is the City’s policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. The only exception to this policy is for assigned interest income in governmental funds other than the General Fund. In those funds, interest income is used first before other revenues. Proprietary fund and fiduciary fund equity are classified the same as in the government-wide statements.

J. Interfund Activities and Balances

The City’s policy is to eliminate interfund transfers and balances in the statement of activities and net position to avoid the grossing up of balances. Only the residual balances transferred between governmental and business-type activities are reported as internal transfers and internal balances then offset in the total column in the government-wide statements. Internal transfers and balances between funds are not eliminated in the fund financial statements

K. Use of Estimates

Certain estimates are made in the preparation of the financial statements, such as estimated lives for capital assets depreciation. Estimates are based on management’s best judgments and may vary from actual results.

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2. Deposits and Investments

Primary Government Deposits and Investments:

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 identical assets; Level 2 inputs are significant other observable inputs. The valuations for Level 2 measurements are determined using quoted prices for similar assets or liabilities in active markets; Level 3 inputs are significant unobservable inputs.

At June 30, 2023, the primary government held the following deposits and investments:

Type of Deposits and Investments - Primary Government	Carrying Value	Maturities in Years				
		On Demand	Less Than One	1 - 5	6 - 10	More Than 10
Deposits:						
Petty Cash	\$ 5,110	\$ 5,110	\$ -	\$ -	\$ -	\$ -
Demand deposits	24,298,924	24,298,924	-	-	-	-
Demand deposits - pension trust funds	695,069	695,069	-	-	-	-
Time deposits	602,953	-	-	602,953	-	-
	<u>25,602,056</u>	<u>24,999,103</u>	<u>-</u>	<u>602,953</u>	<u>-</u>	<u>-</u>
	Credit Rating	Fair Value Categories				
Investments:						
Bond Trustee Accounts:						
Federated Treasury Obligations Inst Money Market Fund	N/A	N/A	1	1	-	-
Federated Treasury Obligations Svc Money Market Fund	N/A	N/A	1,133,149	1,133,149	-	-
Federated Government Obligations Tax Managed Svc	N/A	N/A	1,244,908	1,244,908	-	-
Goldman Sachs Financial Square Federal Fund Admin Shares #521	AAAm	N/A	3,743,618	3,743,618	-	-
Pension Trust Fund:						
Allianz Fix Inc Shrs: Series M (FXIMX) - Money Market	N/A	N/A	-	-	-	-
Allianz Fix Inc Shrs: Series C (FXICX) - Money Market	N/A	N/A	-	-	-	-
Citibank NA South Dakota Bank Deposit Program	N/A	N/A	-	-	-	-
MS Liquid Asset Fund - Money Market	N/A	N/A	-	-	-	-
Fixed Income Shares FD Series C - Money Market	N/A	N/A	-	-	-	-
Fixed Income Shares FD Series M - Money Market	N/A	N/A	-	-	-	-
Federated Hermes Gov Obl AVR (GOVXX) - Money Market	N/A	N/A	198,814	198,814	-	-
Western Asset Smash: Series C (LMLCX) - Money Market	N/A	N/A	244,483	244,483	-	-
Western Asset Smash: Series M (LMSMX) - Money Market	N/A	N/A	325,237	325,237	-	-
WA Smash SRS CR PLS Completion (LMECX) - Money Market	N/A	N/A	674,435	674,435	-	-
Invesco Premier Ptf Instl (IPXX) - Money Market	N/A	N/A	-	-	-	-
AB Large-Cap Grw Adv (APGYX) -Money Market	N/A	N/A	1,291,675	1,291,675	-	-
Clearbridge Large Cap Gwth I (SBLIX) -Money Market	N/A	N/A	1,258,553	1,258,553	-	-
Columbia Dividend Income Inst (GSFTX) -Money Market	N/A	N/A	1,885,150	1,885,150	-	-
First Eagle Overseas I (SGOIX) -Money Market	N/A	N/A	634,157	634,157	-	-
John Hancock Displnd Val Inst (JVLIX) -Money Market	N/A	N/A	1,942,408	1,942,408	-	-
JP Morgan Growth Advantage I (JGASX) -Money Market	N/A	N/A	1,306,771	1,306,771	-	-
MFS Intl Growth I (MQGIX) - Money Market	N/A	N/A	636,800	636,800	-	-
Corporate Bonds	AA	Level II	38,020	-	-	38,020
Corporate Bonds	A+	Level II	40,378	-	-	40,378
Corporate Bonds	A-	Level II	204,090	-	-	204,090
Corporate Bonds	BBB+	Level II	158,305	-	-	79,202
Corporate Bonds	BBB	Level II	81,619	-	-	81,619
Vanguard Short Term Bond	N/A	Level I	1,439,506	1,439,506	-	-
United States Treasury Bonds/Notes	AAA	Level I	217,721	-	-	25,874
Mortgage and asset backed securities	N/A	Level II	554,001	-	-	554,001
Common Stocks	N/A	Level I	14,399	14,399	-	-
			<u>19,268,198</u>	<u>17,974,064</u>	<u>-</u>	<u>183,474</u>
Total Deposits and Investments			\$ 44,870,254	\$ 42,973,167	\$ -	\$ 602,953
Reconciliation to Statement of Net Position:						
Cash and cash equivalents			\$ 30,425,710			
Investments			602,953			
Add: Fiduciary Fund cash and cash equivalents			695,069			
Add: Fiduciary Fund investments			13,146,522			
			<u>\$ 44,870,254</u>			

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Deposit and Investment Risks

Custodial Credit Risk – Exposure to custodial credit risk related to deposits exists when the City holds deposits that are uninsured and uncollateralized; collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the City’s name; or collateralized without a written or approved collateral agreement. Exposure to custodial credit risk related to investments exists when the City holds investments that are uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the City’s name.

The City does not have a formal investment policy as it relates to custodial credit risk. Acceptable collateral is limited to U.S. Treasury securities and direct debt obligations of municipalities, counties, and school districts in the State of Oklahoma. As required by Federal 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.

At June 30, 2024, the City was not exposed to custodial credit risk as defined above.

Investment Credit Risk – State law limits the investments available to the City and is described below.

- 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 limitation, negotiable certificates of deposit, prime bankers’ acceptances, prime commercial paper and repurchase agreements with certain limitations.
- d. County, municipal or school district tax supported debt obligations, bond or revenue anticipation notes, money judgments, or bond or revenue anticipation notes of public trusts whose beneficiary is a county, municipality or school district.
- e. Notes or bonds secured by mortgage or trust deed insured by the Federal Housing Administrator and debentures issued by the Federal Housing Administrator, and in obligations of the National Mortgage Association.
- f. Money market funds regulated by the SEC and in which investments consist of the investments mentioned in the previous paragraphs a., b., c. and d.

Investment credit risk is the risk that an issuer or other counterpart to an investment will not fulfill its obligations. The City has no formal policy limiting investments based on credit rating, but discloses any such credit risk associated with their investments by reporting the credit quality ratings of investments in debt securities as determined by nationally recognized statistical rating organizations—rating agencies—as of the year end in the schedule above. Unless there is information to the contrary, obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality.

Retirement Plan Investments:

The Plan’s investment policies provide for investment in a diversified portfolio, consisting primarily of common stocks, mutual funds, bonds, cash equivalents, and other investments. General asset allocation guidelines for the Plan are as follows:

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Class	Maximum Percent	Minimum Percent	Target Percent
Domestic Equities	44.00	30.00	42.00
International Equities	16.00	0.00	8.00
Fixed Income	70.00	40.00	N/A
Cash	30.00	0.00	N/A

However, Morgan Stanley, the portfolio manager, has discretion in the actual allocation of assets within the retirement plan portfolio.

Investment Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a formal investment policy to manage exposure to fair value losses arising from increasing interest rates. The City discloses its exposure to interest rate risk by disclosing the maturity dates of its various investments in the schedule above.

Concentration of Investment Credit Risk - Exposure to concentration of credit risk is considered to exist when investments in any one issuer represent a significant percent of total investments of the City (any over 5% are disclosed). Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this consideration. The City's investment policy requires diversification of investments and indicates that, with the exception of U.S. Treasury securities and authorized pools, there was no single issuer investment with more than 5% of total investments.

Restricted Cash and Investments – The amounts reported as restricted assets on the statement of net position are comprised of the following:

	Current Cash and cash Equivalents
Utility Deposits	\$ 579,082
Total Restricted Assets	<u>\$ 579,082</u>

Component Units Deposits and Investments:

McAlester Regional Health Center Authority

Deposits

At June 30, 2024, approximately \$300,000 of the Authority's bank balances of approximately \$11,710,000 were exposed to custodial credit risk as uninsured and uncollateralized. The above amounts exclude deposits held by the Authority's blended component units with bank balances of approximately \$886,000 and carrying values of approximately \$683,000 at June 30, 2024.

As nongovernmental entities, the blended component units are not subject to collateralization requirements. At June 30, 2024, the blended component units' cash accounts exceeded federally insured limits by approximately \$300,000.

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Type of Deposits and Investments - MRHC Component Unit	Fair Value	Maturities in Years			
		Less Than One	1 - 5	6 - 10	More Than 10
Money market mutual funds	\$ 106,840	\$ 106,840	\$ -	\$ -	\$ -
Mutual funds	5,851,722	5,851,722	-	-	-
	5,958,562	5,958,562	-	-	-
Exchange-traded funds	1,631,829				
	<u>\$ 7,590,391</u>				

The carrying value of deposits and investments shown above are included in the accompanying balance sheet as follows:

Carrying value	
Deposits	\$ 11,975,918
Investments	7,590,391
Petty cash	1,300
	<u>19,567,609</u>
Included in the following balance sheet captions	
Cash and cash equivalents	\$ 11,792,067
Investments	7,775,542
	<u>19,567,609</u>

3. Investment in Joint Venture

As discussed in Note 1A, the City participates (with equity interest) in the Association for Landfill Financial Assurance (ALFA). ALFA has been approved by the ODEQ as an allowable financial assurance mechanism under existing federal and state laws and regulations. As a member of ALFA, the City is required to deposit certain amounts on an annual basis into an escrow fund to be pooled with other ALFA members. The annual amount due from each member is based on the members' total estimated current cost of closure and post-closure care of the landfill, including adjustments due to inflation or resulting from any changes in the closure or the required 30 year post-closure care plan, plus any additional amount for contingencies as determined by ALFA. For the year ended June 30, 2024, the "Investment in joint venture" balance changed as follows:

Beginning Investment in Joint Venture	\$ 2,141,847
Current Year Contributions	999
Gain (Loss) from Joint Venture	109,676
Ending Investment in Joint Venture	<u>\$ 2,252,522</u>

Separate annual financial statements are issued by ALFA and may be obtained from their administrative offices at 3414 East 85th Place, Tulsa, Oklahoma, 74137.

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4. Receivables

Primary Government Accounts Receivables:

Accounts receivable of the business-type activities consists of customers utilities, airport rental accounts receivable, and airport grant receivable. Accounts receivable of the governmental activities consists of stormwater fees, technology fees, police fines, and ambulance receivables. Receivables detail at June 30, 2024, is as follows:

	<u>General Fund</u>			<u>Economic</u>				
	<u>Ambulance</u>	<u>Court</u>	<u>Stormwater</u>	<u>Development</u>	<u>Technology</u>	<u>Infrastructure</u>	<u>MPWA</u>	<u>Airport</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>		
Accounts receivable	\$ 463,009	\$ 3,628,787	\$ 150,771	\$ 100	\$ 188,378	\$ 188,377	\$ 4,669,071	\$ 10,583
Allowance for doubtful accounts	(400,245)	(1,814,394)	(48,305)	-	(94,189)	(94,189)	(2,815,571)	(2,176)
Accounts receivable, net	<u>\$ 62,764</u>	<u>\$ 1,814,393</u>	<u>\$ 102,466</u>	<u>\$ 100</u>	<u>\$ 94,189</u>	<u>\$ 94,188</u>	<u>\$ 1,853,500</u>	<u>\$ 8,407</u>

Primary Government Lease Receivables:

The City as a lessor, has entered into lease agreements involving a building, infrastructure and land. The total amount of inflows of resources, including lease revenue and interest revenue recognized during the fiscal year was \$32,090. Lease receivable balances at June 30, 2024, were as follows:

Krebs Brewing	\$13,804
Cingular Tower	178,481
Mullin Tower	<u>252,325</u>
Total Lease Receivable-Governmental	<u>\$444,610</u>

Component Units:

McAlester Regional Health Center Authority

Patient receivable balances at June 30, 2024 were as follows:

	<u>MRHCA</u>
Medicare	\$ 9,432,359
Medicaid	3,269,932
Other third-party payers	14,598,910
Patients	9,293,750
Allowance for doubtful accounts	<u>(24,770,000)</u>
Accounts receivable, net	<u>\$ 11,824,951</u>

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5. Capital Assets and Depreciation

For the year ended June 30, 2024, capital assets balances changed as follows:

	(Restated) Balance at June 30, 2023	Additions	Disposals and Transfers	Balance at June 30, 2024
Governmental activities:				
Non-depreciable:				
Land	\$ 1,769,637	\$ -	\$ -	\$ 1,769,637
Construction-in-progress	898,723	2,169,005	(1,428,372)	1,639,356
Total non-depreciable assets at historical cost	<u>2,668,360</u>	<u>2,169,005</u>	<u>(1,428,372)</u>	<u>3,408,993</u>
Depreciable capital assets:				
Buildings	12,477,175	88,089	-	12,565,264
Other improvements	8,018,829	1,371,153	-	9,389,982
Machinery and equipment	14,633,041	871,087	(163,845)	15,340,283
Infrastructure	82,114,629	-	-	82,114,629
Total depreciable assets at historical cost	<u>117,243,674</u>	<u>2,330,329</u>	<u>(163,845)</u>	<u>119,410,158</u>
Less accumulated depreciation				
Buildings	(5,580,227)	(261,327)	-	(5,841,554)
Other improvements	(4,072,830)	(396,085)	-	(4,468,915)
Machinery and equipment	(11,106,420)	(776,724)	163,845	(11,719,299)
Infrastructure	(59,613,493)	(2,336,915)	-	(61,950,408)
Total accumulated depreciation	<u>(80,372,970)</u>	<u>(3,771,051)</u>	<u>163,845</u>	<u>(83,980,176)</u>
Lease assets:				
Subscription assets	178,440	-	-	178,440
Total lease assets being amortized	<u>178,440</u>	<u>-</u>	<u>-</u>	<u>178,440</u>
Less accumulated amortization				
Subscription assets	-	(54,905)	-	(54,905)
Total accumulated amortization	<u>-</u>	<u>(54,905)</u>	<u>-</u>	<u>(54,905)</u>
Net depreciable and amortizable assets	<u>37,049,144</u>	<u>(1,495,627)</u>	<u>-</u>	<u>35,553,517</u>
Governmental activities assets, net	<u>\$ 39,717,504</u>	<u>\$ 673,378</u>	<u>\$ (1,428,372)</u>	<u>\$ 38,962,510</u>
	Balance at June 30, 2023	Additions	Disposals and Transfers	Balance at June 30, 2024
Business-type activities				
Non-depreciable:				
Land	\$ 212,571	\$ -	\$ -	\$ 212,571
Water rights contracts	719,075	-	-	719,075
Construction-in-progress	16,961,721	7,883,063	(2,714,615)	22,130,169
Total non-depreciable assets at historical cost	<u>17,893,367</u>	<u>7,883,063</u>	<u>(2,714,615)</u>	<u>23,061,815</u>
Depreciable:				
Buildings	2,773,061	-	-	2,773,061
Other improvements	8,247,471	2,946,547	-	11,194,018
Machinery and equipment	5,804,103	305,339	(14,981)	6,094,461
Utility property	61,922,997	-	-	61,922,997
Total depreciable assets at historical cost	<u>78,747,632</u>	<u>3,251,886</u>	<u>(14,981)</u>	<u>81,984,537</u>
Less accumulated depreciation				
Buildings	(2,102,129)	(50,508)	-	(2,152,637)
Other improvements	(5,603,855)	(309,553)	-	(5,913,408)
Machinery and equipment	(4,292,425)	(237,797)	14,981	(4,515,241)
Utility property	(36,114,084)	(1,612,616)	-	(37,726,700)
Total accumulated depreciation	<u>(48,112,493)</u>	<u>(2,210,474)</u>	<u>14,981</u>	<u>(50,307,986)</u>
Net depreciable assets	<u>30,635,139</u>	<u>1,041,412</u>	<u>-</u>	<u>31,676,551</u>
Business-type capital assets, net	<u>\$ 48,528,506</u>	<u>\$ 8,924,475</u>	<u>\$ (2,714,615)</u>	<u>\$ 54,738,366</u>

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	Balance at June 30, 2023	Additions	Transfers	Disposals	Balance at June 30, 2024
Component Unit (MRHCA):					
Non-depreciable:					
Land	\$ 1,260,789	\$ -	\$ -	\$ -	\$ 1,260,789
Construction-in-progress	378,470	1,215,809	(20,709)	-	1,573,570
Total non-depreciable assets at historical cost	<u>1,639,259</u>	<u>1,215,809</u>	<u>(20,709)</u>	<u>-</u>	<u>2,834,359</u>
Depreciable:					
Land improvements	2,685,360	-	-	-	2,685,360
Buildings and improvements	75,785,341	486,343	20,709	(35,000)	76,257,393
Machinery and equipment	49,473,094	690,996	-	(240,276)	49,923,814
Total depreciable assets at historical cost	<u>127,943,795</u>	<u>1,177,339</u>	<u>20,709</u>	<u>(275,276)</u>	<u>128,866,567</u>
Less accumulated depreciation					
Land improvements	(1,622,217)	(65,053)	-	-	(1,687,270)
Buildings and improvements	(46,627,175)	(2,241,521)	-	25,688	(48,843,008)
Machinery and equipment	(40,595,502)	(2,701,352)	-	145,861	(43,150,993)
Total accumulated depreciation	<u>(88,844,894)</u>	<u>(5,007,926)</u>	<u>-</u>	<u>171,549</u>	<u>(93,681,271)</u>
Other Assets:					
Subscription assets	2,142,653	464,896	-	-	2,607,549
Intangible leased buildings	2,916,100	-	-	(267,065)	2,649,035
Intangible leased major moveable equipment	2,481,265	1,198,596	-	-	3,679,861
Total other assets	<u>7,540,018</u>	<u>1,663,492</u>	<u>-</u>	<u>(267,065)</u>	<u>8,936,445</u>
Less accumulated amortization:					
Subscription assets	(781,166)	(839,387)	-	-	(1,620,553)
Intangible leased buildings	(672,632)	(530,737)	-	122,638	(1,080,731)
Intangible leased major moveable equipment	(982,117)	(543,264)	-	-	(1,525,381)
Total accumulated depreciation	<u>(2,435,915)</u>	<u>(1,913,388)</u>	<u>-</u>	<u>122,638</u>	<u>(4,226,665)</u>
Total depreciable assets at historical cost	<u>44,203,004</u>	<u>(4,080,483)</u>	<u>20,709</u>	<u>(248,154)</u>	<u>39,895,076</u>
Component Unit (MRHCA) capital assets, net	<u>\$ 45,842,263</u>	<u>\$ (2,864,674)</u>	<u>\$ -</u>	<u>\$ (248,154)</u>	<u>\$ 42,729,435</u>

Depreciation of capital assets is included in total expenses and is charged or allocated to the activities primarily benefiting from the use of the specific asset. Depreciation expense has been allocated as follows:

Depreciation expense charged to governmental activities:

Administration	\$ 378,997
Public safety	426,961
Community services	495,311
Public works	2,524,687

Total governmental activities depreciation/amortization expense \$ 3,825,956

Depreciation expense charged to business-type activities:

Water	\$ 1,144,444
Sewer	720,257
Sanitation	35,477
Airport	310,296

Total business-type activities depreciation expense \$ 2,210,474

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6. Long-Term Debt and Debt Service Requirements

For the year ended June 30, 2024, the reporting entity's long-term debt changed as follows:

	(Restated) Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Governmental Activities:					
Notes Payable-direct borrowing	\$ 551,418	\$ -	\$ 239,260	\$ 312,158	\$ 273,741
Revenue Bonds Payable-direct placement	25,000,000	-	3,845,000	21,155,000	4,040,000
Revenue Bonds Payable	10,106,278	604,807	-	10,711,085	-
SBITA Obligations Payable	178,440	-	57,564	120,876	59,459
Accrued Compensated Absences	2,469,834	230,550	157,441	2,542,943	254,295
Claims Liability	1,079,406	421,452	515,495	985,363	98,536
Total Governmental Long-Term Debt	<u>\$ 39,385,376</u>	<u>\$ 1,256,809</u>	<u>\$ 4,814,760</u>	<u>\$ 35,827,425</u>	<u>\$ 4,726,031</u>
			Net pension liability	10,070,612	
				<u>\$ 45,898,037</u>	
Business-type Activities:					
Landfill Closure and Post-closure Liability	\$ 5,371,536	\$ 130,415	\$ -	\$ 5,501,951	\$ -
Due to Depositors	598,172	98,872	117,962	579,082	115,816
Notes Payable-direct borrowing	13,204,791	4,881,244	1,219,755	16,866,280	1,206,317
Accrued Compensated Absences	293,794	39,066	48,731	284,129	28,413
Total Business-type Long-Term Debt	<u>\$ 19,468,293</u>	<u>\$ 5,149,597</u>	<u>\$ 1,386,448</u>	<u>\$ 23,231,442</u>	<u>\$ 1,350,546</u>
			Net pension liability	922,290	
				<u>\$ 24,153,732</u>	

Note: The General Fund, Tax and Tourism Fund and E-911 Fund have typically been used to liquidate governmental liability for compensated absences in prior years.

Governmental activities long-term debt:

Unless otherwise indicated, the governmental activities long-term debt obligations are generally paid from the General Fund.

Notes Payable - Direct Borrowings:

\$763,736 notes payable with Bancfirst for city vehicles, payable in monthly interest installments and one balloon principal payment due January 25, 2022, with interest at 0.65%, paid from the Capital Improvement Plan Fund	\$244,011
\$145,722 notes payable with First National Bank for freightliner, payable in monthly installments of \$2,603, final payment due September 20, 2026, with interest at 2.77%, paid from the Capital Improvement Plan Fund	<u>68,147</u> <u>\$ 312,158</u>

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Notes Payable – Direct Borrowings:

Current portion	\$ 273,741
Noncurrent portion	<u>38,417</u>
Total Notes Payable – Direct Borrowings	<u>\$ 312,158</u>

Revenue Bonds Payable:

2002 Series Utility System Revenue Bonds:

Capital appreciation bonds in the face amount of \$3,037,176 dated July 1, 2003, issued by McAlester Public Works Authority and used for streets, secured by utility revenue and pledged sales tax, principal maturing at the accreted value of \$17,560,000, interest rate at 4.30%, final maturity February 1, 2034. Interest is accreted (or added to the principal balance) until maturity, at which time, the entire principal balance of \$17,560,000 will be due and payable.	\$17,560,000
Less: Unaccreted portion	<u>(6,848,915)</u>
Principal outstanding at year end	<u>\$10,711,085</u>

Revenue Bonds Payable (Direct Placements):

2012 Taxable Series Utility System & Sales Tax Revenue Refunding Notes:

Serial Bonds in the amount of \$26,120,000 dated December 28, 2012, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$85,000 to \$1,275,000, interest rate at 3.8%, final maturity February 1, 2027, paid from Bond Trustee Fund. In the event of default, the lender may: 1) accelerate maturity; 2) gain control of operations through temporary trustees; 3) file suit for specific performance of covenants; 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement.	\$7,215,000
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2013 Series Utility System & Sales Tax Revenue Notes:

Serial Bonds in the amount of \$8,890,000 dated June 1, 2013, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$125,000 to \$1,205,000, interest rate at 3.53%, final maturity February 1, 2028, paid from Bond Trustee Fund. In the event of default, the lender may: 1) accelerate maturity; 2) gain control of operations through temporary trustees; 3) file suit for specific performance of covenants; 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement.	5,500,000
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2014 Series Utility System & Sales Tax Revenue Notes:

Serial Bonds in the amount of \$4,910,000 dated May 20, 2014, issued by McAlester Public Works Authority and used for streets, secured by utility revenues and pledged sales tax, principal maturing semi-annually ranging from \$95,000 to \$435,000, interest rate at 3.40%, final maturity February 1, 2029, paid from Bond Trustee Fund. In the event of default, the lender may: 1) accelerate maturity; 2) gain control of operations through temporary trustees; 3) file suit for specific performance of covenants; 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement.	2,875,000
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2015 Taxable Series Sales Tax Revenue Refunding Notes:

Serial Bonds in the amount of \$12,615,000 dated September 3, 2015, issued by McAlester Public Works Authority and used for streets, secured by pledged sales tax, principal maturing semi-annually ranging from \$200,000 to \$820,000, interest rate at 3.68%, final maturity February 1, 2028, paid from Bond Trustee Fund. In the event of default, the lender may: 1) accelerate maturity; 2) gain control of operations through temporary trustees; 3) file suit for specific performance of covenants; 4) file suit to enforce or enjoin action or inaction of parties under provisions of the note or sales tax agreement; 5) require sales tax to be deposited directly with trustee bank.	<u>5,565,000</u>
Total Revenue Bonds Payable (Direct Placements)	<u>\$ 21,155,000</u>

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Current portion	\$ 4,040,000
Noncurrent portion	<u>17,115,000</u>
Total Revenue Bonds Payable (Direct Placements)	<u>\$ 21,155,000</u>
Subscription (SBITA) Obligations Payable:	
Current portion	\$ 59,459
Noncurrent portion	<u>61,417</u>
Total Subscription Obligations Payable	<u>\$ 120,876</u>
Accrued Compensated Absences:	
Current portion	\$ 254,295
Noncurrent portion	<u>2,288,648</u>
Total Accrued Compensated Absences	<u>\$ 2,542,943</u>
Claims Liability:	
Current portion	\$ 98,536
Non-current portion	<u>886,827</u>
Total Claims Liability	<u>\$ 985,363</u>

Business-type activities long-term debt:

Notes Payable (Direct Borrowings):

2006 CDBG-ED Promissory Note with Oklahoma Department of Commerce dated October 1, 2006, original amount of \$125,000, reduced to \$67,800, with an annual interest rate of 0.00%, due in monthly installments of \$282.50, final installment October 1, 2026. Secured by economic development revenues. In the event of default, the lender may: 1) accelerate maturity; 2) increase interest rate 6% from date of default until date of payment; 3) cease extending credit to borrower; 4) exercise any and all rights and remedies possessed by lender. \$9,040

MPWA Note Payable with First National Bank and used for clear well liner project, dated March 4, 2021, original line of credit amount of \$641,160, with an annual interest rate of 2.73%, due in 12 monthly interest payments followed by monthly installments of \$6,704, final installment March 4, 2031. Drawdowns to date \$594,524. Secured by equipment purchased. In the event of default, the lender may: 1) accelerate maturity; 2) assemble and sell collateral; 3) appoint receiver; 4) collect revenues, apply accounts; 5) obtain deficiency (judgment). 433,018

MPWA Note Payable with First National Bank and used for roll off vehicle, dated September 30, 2020, original amount of \$168,850, with an annual interest rate of 2.73%, due in monthly installments of \$3,013, final installment September 25, 2025. Secured by equipment purchased. In the event of default, the lender may: 1) accelerate maturity; 2) assemble and sell collateral; 3) appoint receiver; 4) collect revenues, apply accounts; 5) obtain deficiency (judgment). 44,367

MPWA Note Payable with Arvest Bank and used for 2018 Gradall, dated March 29, 2021, original amount of \$337,500, with an annual interest rate of 2.955%, due in monthly installments of \$4,456, final installment April 15, 2028. Secured by equipment. In the event of default, the lender may: 1) accelerate maturity; 2) repossess and sell collateral; 3) charge all fees associated with repossession; 4) set off amounts owed with deposits; 5) charge interest on monies due at a rate of 18% per annum or the highest rate permitted by law until paid. 194,200

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MPWA Drinking Water OWRB Note Payable used for a waterline improvement project, dated December 21, 2021, original amount of \$32,500,000, with an annual interest rate of 1.50% and administrative fee of 0.5%, payable in semi-annual principal installments of 523,333 beginning September 15, 2022. Principal forgiveness of \$1,100,000 was approved in FY 21-22. Total drawdowns through 6-30-24 totaled \$19,385,656. Secured by pledged revenues and restricted sales tax. In the event of default: 1) suit for specific performance of any or all covenants of the Authority contained in the Note Indentures or the notes; 2) acceleration of the payment of principal and interest; 3) gain control of operations through temporary trustees; or 4) file suit to enforce or enjoin action or inaction of parties under provisions of the agreement. 16,185,655

Total Notes Payable (Direct Borrowings)	<u>\$ 16,866,280</u>
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Current portion	\$ 1,206,317
Non-current portion	<u>15,659,963</u>
Total Notes Payable (Direct Borrowings)	<u>\$ 16,866,280</u>

Landfill Closure and Post-Closure Liability:

A \$5,371,536 accrued liability has been recognized in the McAlester Public Works Authority to represent the total estimated amount owed by the Authority for closure and post-closure requirements dictated by the U.S. Environmental Protection Agency and the Oklahoma Department of Environmental Quality regulations and represented the cumulative amount of such costs reported to date based on the use of approximately 72.41% of the estimated capacity of the landfill. It is estimated that an additional \$2,046,688 will be recognized as closure and post-closure expense between the current statement of net position date and the date the landfill is expected to be filled to capacity. However, the actual cost of closure and post-closure may be higher due to inflation, changes in technology, or changes in landfill laws and regulation. The restricted use of the landfill has extended its life. The estimated remaining landfill life is now 55 years.

Current portion	\$ -
Noncurrent portion	<u>5,501,951</u>
Total Landfill Closure and Postclosure Liability	<u>\$ 5,501,951</u>

Accrued Compensated Absences:

Current portion	\$ 28,413
Noncurrent portion	<u>255,716</u>
Total Accrued Compensated Absences	<u>\$ 284,129</u>

Deposits Subject to Refund:

Current portion	\$ 115,816
Noncurrent portion	<u>463,266</u>
Total Deposits Subject to Refund	<u>\$ 579,082</u>

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Debt Service Requirements to Maturity

Long-term debt service requirements to maturity of the primary government are as follows:

	Governmental Activity Debt							
	Direct Borrowing		Direct Placement				SBITA	
	Notes Payable		Revenue Bonds Payable		Revenue Bonds Payable		Obligations Payable	
Year Ended June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 273,741	\$ 2,051	\$ -	\$ -	\$ 4,040,000	\$ 737,103	\$ 59,459	\$ 3,979
2026	30,564	677	-	-	4,245,000	584,530	61,417	2,022
2027	7,853	36	-	-	7,080,000	403,538	-	-
2028	-	-	-	-	4,920,000	162,021	-	-
2029	-	-	-	-	870,000	22,343	-	-
2030-2034	-	-	17,560,000	-	-	-	-	-
Total	<u>\$ 312,158</u>	<u>\$ 2,764</u>	17,560,000	-	21,155,000	1,909,535	120,876	6,001
Less: Unaccreted Portion of Debt			(6,848,915)	6,848,915	-	-	-	-
			<u>\$ 10,711,085</u>	<u>\$ 6,848,915</u>	<u>\$ 21,155,000</u>	<u>\$ 1,909,535</u>	<u>\$ 120,876</u>	<u>\$ 6,001</u>

Business-Type Activity Debt - Direct Borrowing

Year Ended June 30,	Notes Payable	
	Principal	Interest
2025	\$ 1,206,317	\$ 320,886
2026	1,183,284	296,779
2027	1,176,625	273,238
2028	1,169,608	249,664
2029	1,127,104	226,962
2030-2034	5,317,687	818,887
2035-2039	5,250,000	316,952
2040	435,655	4,155
Total	<u>\$ 16,866,280</u>	<u>\$ 2,507,523</u>

Component Units have the following long-term debt at June 30, 2024:

	Balance June 30, 2023	Additions	Deductions	Balance June 30, 2024	Amounts Due Within One Year
Component Unit Activities (MRHCA):					
Lease Liabilities	\$ 4,007,214	\$ 1,198,596	\$ 1,241,081	\$ 3,964,729	\$ 1,383,989
Notes Payable to Banks	15,961,067	670,551	1,922,079	14,709,539	6,860,214
Subscription Liabilities	1,294,824	464,896	820,618	939,102	656,638
Total Component Unit Debt	<u>\$ 21,263,105</u>	<u>\$ 2,334,043</u>	<u>\$ 3,983,778</u>	<u>\$ 19,613,370</u>	<u>\$ 8,900,841</u>

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Notes Payable to Banks (MRHCA):

The notes payable to bank are due between January 2023 and June 2036, payable monthly, including interest at rates of 2.55% to 6.75%. The notes are secured by real estate and certain capital assets.

Included in notes payable are the Series 2016 Hospital Revenue Note (the 2016 Note) and the Series 2017 Hospital Revenue Note (the 2017 Note). The 2016 Note was issued in the original amount of \$8,600,000 dated May 1, 2016, which bears interest monthly at 2.55%. The 2017 Note was issued in the original amount of \$3,200,000 dated December 1, 2017, which bears interest monthly at 3.54%. The 2016 Note and the 2017 Note are secured by the gross revenues of the Authority. These notes require the Authority to comply with certain restrictive covenants, including maintaining a debt service coverage ratio of 1.20 to 1.00 and days cash on hand of 75 days, as defined. The indenture agreements for each note contain provisions that, in an event of default, allow the lender to accelerate payments of the entire principal amount to be immediately due and payable. At June 30, 2024, the Authority did not meet the debt service coverage ratio and a waiver was not obtained. As a result, the 2016 Note and 2017 Note are reflected as current in the accompanying balance sheets at June 30, 2024.

Also included in notes payable is a promissory note in the original amount of \$800,000 dated September 29, 2017, which bears interest monthly at 4.22%. The promissory note is secured by certain property of the Authority.

In June 2023, as part of the acquisition of ASLG (Associated Senior Living Group), the Authority assumed responsibility for a note payable to bank. This note was amended in December 2022 and carried a principal balance of approximately \$6,783,000. The note bears interest at the rate of 4.75% and matured in January 2024. During 2024, the note was modified to extend the maturity date to January 2027 and adjust the interest rate to 6.75%. The note is secured by certain property of the Authority.

The total debt outstanding on these notes as of June 30, 2024 is as follows:

Series 2016 Hospital Revenue Note	\$ 5,684,184
Series 2017 Hospital Revenue Note	305,286
Other notes payable	1,737,245
Promissory note – downtown building	510,512
Note payable to bank – Belfair	<u>6,472,312</u>
	<u>\$ 14,709,539</u>

The originally scheduled principal and interest payments as of June 30, 2024, excluding consideration of the potential acceleration of debt due to debt covenant violations discussed below, are as follows:

Year Ended June 30,	<u>Discretely Presented Component Unit</u>	
	<u>Notes Payable to Banks</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,585,868	\$ 641,483
2026	964,416	601,016
2027	6,894,107	363,176
2028	796,573	134,006
2029	708,788	110,047
2030-2034	2,684,071	316,421
2035-2036	<u>1,075,716</u>	<u>28,726</u>
Total	<u>\$ 14,709,539</u>	<u>\$ 2,194,875</u>

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Lease Liabilities (MRHCA):

The Authority leases equipment and clinic space, the terms of which expire in various years through 2033. Variable payments based upon the use of the underlying asset are not included in the lease liability because they are not fixed in substance.

The following is a schedule by year of payments under the leases as of June 30, 2024:

Year Ended June 30,	<u>Discretely Presented Component Unit</u>	
	<u>Lease Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,383,989	\$ 205,752
2026	1,205,268	117,930
2027	723,923	53,706
2028	329,753	27,684
2029	153,774	12,843
2030-2033	<u>168,022</u>	<u>8,597</u>
Total	<u>\$ 3,964,729</u>	<u>\$ 426,512</u>

Subscription Liabilities:

The Authority has various SBITAs, the terms of which expire in various years through 2027.

Year Ended June 30,	<u>Discretely Presented Component Unit</u>	
	<u>Subscription Liabilities</u>	
	<u>Principal</u>	<u>Interest</u>
2025	\$ 656,638	\$ 39,618
2026	228,066	11,202
2027	<u>54,398</u>	<u>1,372</u>
Total	<u>\$ 939,102</u>	<u>\$ 52,192</u>

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7. Fund Balances

The following table shows the fund balance classifications as shown on the Governmental Funds Balance Sheet:

	General Fund	Reserve Fund	Dedicated Sales Tax - MPWA	Bond Trustee Fund	Other Governmental Funds	Total
Fund Balance:						
Restricted For:						
Grant purposes	\$ -	\$ -	\$ -	\$ -	\$ 260	\$ 260
E911	-	-	-	-	228,960	228,960
Tourism	-	-	-	-	826,408	826,408
Other	-	-	-	-	252,974	252,974
Stormwater	-	-	-	-	2,920,667	2,920,667
Health - cancer center	-	-	-	-	76,529	76,529
Police capital outlay	-	-	-	-	138,693	138,693
Cemetery	-	-	-	-	450,659	450,659
Technology improvements	-	-	-	-	46,490	46,490
Infrastructure improvements	-	-	-	-	1,848,316	1,848,316
Emergencies	-	1,882,145	-	-	-	1,882,145
Capital improvements:						
Economic development-bond repayment	-	-	-	-	800,000	800,000
Debt Service	-	-	1,378,012	6,121,676	852,142	8,351,830
Sub-total Restricted	-	1,882,145	1,378,012	6,121,676	8,442,098	17,823,931
Assigned to:						
Tourism	-	-	-	-	588,289	588,289
Economic development	-	-	-	-	723,391	723,391
Other	-	-	-	-	54,718	54,718
Police capital outlay	-	-	-	-	1,390	1,390
Technology improvements	-	-	-	-	9,465	9,465
Infrastructure improvements	-	-	-	-	1,335,239	1,335,239
Capital improvements	-	-	-	-	2,532,428	2,532,428
Nutrition services	156,862	-	-	-	-	156,862
Budget balancing purposes	712,864	-	-	-	-	712,864
Sub-total Assigned	869,726	-	-	-	5,244,920	6,114,646
Unassigned	758,998	-	-	-	-	758,998
Total Fund Balance	\$ 1,628,724	\$ 1,882,145	\$ 1,378,012	\$ 6,121,676	\$ 13,687,018	\$ 24,697,575

Restricted Net Position – Governmental Activities

The following table shows the net position restricted for other purposes as shown on the Statement of Net Position:

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Fund	Restricted By	Amount
State Forfeiture Fund	State statutes and/or debt indentures	\$ 11,367
Cemetery Perpetual Care Fund	State statutes and/or debt indentures	450,659
Federal Forfeiture Fund	State statutes and/or debt indentures	450
Capital Improvement Plan Fund	State statutes and/or debt indentures	800,000
Child Abuse Response Fund	State statutes and/or debt indentures	40
OWRB Debt Fund	State statutes and/or debt indentures	775,188
Sinking Fund	State statutes and/or debt indentures	155
		<u>\$ 2,037,859</u>
Dedicated Sales Tax - MPWA	External parties (voters)	\$ 1,378,012
E911 Fund	External parties (voters)	228,960
Reserve Fund	External parties (voters)	1,882,145
Bond Trustee Fund	External parties (voters)	6,121,676
Gifts & Contributions Fund	External parties (donors)	252,934
Stormwater Fund	External parties (voters)	2,920,667
MRHC-Cancer Center Fund	External parties (voters)	76,529
Infrastructure Fund	External parties (voters)	1,848,316
Sales Tax - Schools Fund	External parties (voters)	76,799
Fire Improvement Grant Fund	External parties (grantors)	260
Police Grant Fund	External parties (grantors)	19,370
Police Equipment Fund	External parties (grantors)	107,506
Technology Fund	External parties (voters)	46,490
Tourism Fund	External parties (voters)	826,408
		<u>\$ 15,786,072</u>

Restatement – Governmental Activities

	<u>Government-Wide</u>
	<u>Governmental</u>
	<u>Activities</u>
Beginning net position, as previously reported	\$ 19,235,293
Implementation of GASB Statement 96:	
Subscription Assets	178,440
SBITA Obligations Payable	(178,440)
Beginning net position, restated	<u>\$ 19,235,293</u>

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8. Dedicated Tax Revenues and Pledges of Future Revenues

Sales and Use Tax

Sales and use tax revenue represent a 4.00 cent tax on each dollar of taxable sales which is recorded as revenue within the respective funds. Upon receipt, the sales tax is recorded as follows:

- 2 cents recorded in the General Fund.
- 1 cent recorded in the Dedicated Sales Tax Fund MPWA and then transferred to the McAlester Public Works Authority Fund for the payment of debt service restricted by voter approval.
- 1/2 cent recorded in Infrastructure Fund for infrastructure repairs, maintenance, construction and improvements (effective July 1, 2018 – expiring July 1, 2033)
- 1/8 cent recorded in the Sales Tax Schools Fund for the construction of a new early childhood center and safe rooms at the schools (effective October 1, 2018 – expiring July 1, 2033)
- 1/8 cent recorded in the MRHC Cancer Center Fund for the construction of a cancer treatment center (effective October 1, 2018 – expiring July 1, 2033)
- 1/4 cent recorded in OWRB Debt Service Fund for debt service on waterline improvements (effective April 1, 2022)

Pledge of Future Revenues

Sales Tax and Utility Net Revenues Pledge - The City has pledged two and one-quarter cents (or 56.25%) of future sales tax revenues to repay \$31,866,085 of Series 2002, 2012, 2013, 2014 and 2015 Sales Tax and Utility System Bonds and \$16,185,655 of Series 2021 OWRB DW SRF Note Payable. Proceeds from the bonds and notes provided financing for capital assets. The 2015 bonds are payable solely from pledged sales tax revenues. The 2002, 2012, 2013 and 2014 bonds, the 1999 loan and the 2021 OWRB note are payable from pledged sales tax revenues and further secured by net water, wastewater, and sanitation revenues. The bonds are payable anywhere from 2027 through 2052. The total principal and interest payable for the remainder of the life of these bonds is \$59,267,386, which includes \$17,560,000 of accreted bonds. Pledged sales taxes in the current year were \$10,401,302 and the net utility revenues were \$2,667,281. Debt service payments of \$6,040,610, excluding accreted interest, for the current fiscal year were 58.08% of the pledged sales taxes and 46.22% of both pledged sales taxes and net utility revenues.

9. Internal and Interfund Balances and Transfers

Transfers:

Internal transfers between funds and activities for the year ended June 30, 2024, were as follows:

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Transfer From	Transfer To	Amount	Nature of Transfer
General Fund	E-911 Fund	\$ 215,556	Transfer for operations
General Fund	Economic Development Fund	115,553	Transfer for operations
General Fund	Juvenile Fine Fund	7,074	Transfer for operations
General Fund	Police Grant Fund	15,007	Operating subsidy - city match
General Fund	McAlester Airport Authority	287,450	Transfer for operations
Capital Improvement Plan Fund	CDBG Fund	42,391	Operating subsidy - city match
Capital Improvement Plan Fund	MPWA	187,963	Debt service payments
Reserve Fund	Capital Improvement Plan Fund	2,200,000	Emergency transfer
Dedicated Sales Tax Fund	Bond Trustee Fund	4,545,391	Debt payments to trustee bank
Economic Development Fund	MPWA	3,390	Debt service payments
OWRB Debt Service Fund	MPWA	1,304,811	Debt service payments
MPWA	General Fund	1,000,000	Transfer for operations
MPWA	Capital Improvement Plan Fund	3,262	Transfer for sale of capital assets
MPWA	Capital Improvement Plan Fund	935,801	Transfer of service charges & penalties
MPWA	OWRB Debt Service Fund	264,235	Debt service payments
		<u>\$ 11,127,884</u>	
	Transfers In	Transfers Out	Net Transfers/ Internal Activity
Reconciliation to Fund			
Financial Statements:			
Governmental Funds	\$ 9,344,270	\$ (8,924,586)	\$ 419,684
Enterprise Funds	1,783,614	(2,203,298)	(419,684)
Total Transfers	<u>\$ 11,127,884</u>	<u>\$ (11,127,884)</u>	<u>\$ -</u>
Reconciliation to statement of activities:		Governmental	Business-Type
Net transfers		\$ 419,684	\$ (419,684)
Reclassification of capital asset purchases and expense between activities		(1,256,027)	1,256,027
Total Transfers - Internal Activity		<u>\$ (836,343)</u>	<u>\$ 836,343</u>

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Balances:

Interfund receivables and payables at June 30, 2024, were as follows:

<u>Due From</u>	<u>Due To</u>	<u>Amount</u>	<u>Nature of Interfund Balance</u>	
General Fund	Capital Improvement Plan Fund	\$ 800,000	Bond related issues	
General Fund	Workers Compensation Fund	878,166	GF share of claims liability	
E-911 Fund	General Fund	4,840	Deposit error to wrong fund	
MPWA	Workers Compensation Fund	64,759	GF share of claims liability	
		<u>\$ 1,747,765</u>		

	<u>Due From Other Fund</u>	<u>Due To Other Funds</u>	<u>Internal Service Funds Reconciliation</u>	<u>Net Activity/ Internal Balances</u>
Reconciliation to Fund				
Financial Statements:				
Governmental Funds	\$ 804,840	\$ (1,683,006)	\$ 942,925	\$ 64,759
Enterprise Funds	-	(64,759)	-	(64,759)
Internal Service Funds	942,925	-	(942,925)	-
Total Interfund Balances	<u>\$ 1,747,765</u>	<u>\$ (1,747,765)</u>	<u>\$ -</u>	<u>\$ -</u>

The City continues to report an interfund receivable/payable in the original amount of \$3,291,826 between the General Fund and the Capital Improvement Plan Fund (MPWA). This interfund receivable/payable is the result of questions raised in a forensic audit dealing with questioned transfers made in prior years from the MPWA to the General Fund. At the current time, the City has not developed a schedule of annual reimbursements to be made by the General Fund to the Capital Improvement Plan Fund (MPWA) until the interfund payable is deemed to be satisfied. The current balance of this interfund receivable/payable is \$800,000.

10. 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 health and life; and natural disasters. The City manages these various risks of loss as follows:

- General Liability and Physical Property – Purchased commercial insurance with no risk of loss retained.
- Workers' Compensation – Self- insured up to \$250,000 per occurrence. Additional coverage is maintained with a reinsurance policy up to a \$5,000,000 limit. The reinsurance policy also covers aggregate losses exceeding \$800,000 with a limit of \$1,000,000 during the two-year policy period.
- Dental Insurance – Self- insured.
- Employee's Group Medical – Covered through purchased commercial insurance with no risk of loss retained.

Management believes the insurance coverage listed above is sufficient to preclude any significant uninsured losses to the City. There were no significant changes in coverage in the current year and settled claims have not exceeded this insurance coverage in any of the past three fiscal years.

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Claims Liability Analysis

The claims liabilities related to the above noted risks of loss that are retained are determined in accordance with the requirements of Statement of Financial Accounting Standard No. 5, 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 workers' compensation, changes in the claims liability for the City from July 1, 2021 to June 30, 2024 are as follows:

	<u>Total Claims Liability</u>
Claims liability, June 30, 2021	\$ 198,800
Claims incurred	343,674
Claims paid	<u>(384,779)</u>
Claims liability, June 30, 2022	157,695
Claims incurred	1,290,412
Claims paid	<u>(368,701)</u>
Claims liability, June 30, 2023	1,079,406
Claims incurred	421,452
Claims paid	<u>(515,495)</u>
Claims liability, June 30, 2024	<u><u>\$ 985,363</u></u>

11. Contingencies

Litigation:

The City is a party to various legal proceedings which normally occur in the course of governmental operations. The financial statements do not include accruals or provisions for loss contingencies that may result from these proceedings. State statutes provide for the levy of an ad valorem tax over a three-year period by a City Sinking Fund for the payment of any court assessed judgment rendered against the City. While the outcome of the above noted proceedings cannot be predicted, due to the insurance coverage maintained by the City and the State statute relating to judgments, the City feels that any settlement or judgment not covered by insurance would not have a material adverse effect on the financial condition of the City.

Federal and State Award Programs:

The City of McAlester participates in various federal or state grant/loan programs from year to year. In 2024, the City's involvement in federal and state award programs was significant. 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. The City has not been notified of any noncompliance with federal or state award requirements. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

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ODEQ Consent Orders:

Water Treatment

Case 09-241 was closed out on Dec 7, 2023, by DEQ and replaced with Case 22-0045 - which continues to state that the discharge from the water plant backwash lagoons, specifically exceedance of Total Suspended Solids, Manganese, and Aluminum. DEQ added that the City will need to update the Water Treatment Plant Discharge Permit to reflect the correct amounts and limits so that the City will comply with the lagoon's backwash limits. DEQ has accepted and issued the new Water Treatment Discharge Permit submitted by the City. DEQ contacted the City about needing more information on how much all of the upgrades to the residual management system cost the City on October 8, 2024. The City has responded with requested information. The City is currently waiting on a close-out letter from DEQ.

April 20, 2021- Case 20-235 - TTHM MCL, HAA5 MCL, regarding the high levels of TTHM MCL and HAA5 MCL found in the city water was out of compliance with DEQ standard levels. The City has been completing the set tasks outlined in the consent order and will continue to follow the flushing procedures that were approved by DEQ and monitor the TTHM and HAA5 levels. The City has completed all task of the consent order and has remained in compliance with permitted limits of TTHM MCL, HAA5 MCL, through the flushing program. The City is waiting on a close-out letter from DEQ.

Waste Water Treatment

July 25, 2022 - Case 21-168 - Discharges without a Permit, regarding the number of sanitary sewer overflows in the city. The City is currently working with Engineers to resolve this issue, by reporting sewer I&I's, updating the wastewater treatment plants, and the replacement of the 9 MIL pond liner at the East Wastewater Treatment plant. The Deadline was extended to April 2024. The City is waiting on a response from DEQ about closing out this consent order since all conditions of the consent order were met by the City in 2022. The City sent an updated letter to DEQ expressing that the tasks had been completed. The City is currently waiting on a response from DEQ.

Asset Retirement Obligation:

The City has incurred certain asset retirement obligations related to the operation of its wastewater utility system. The estimated liability of the legally required closure costs for the wastewater utility system cannot be reasonably estimated as of June 30, 2024, since the specific legally required costs of retirement have not yet been identified. The City anticipates identifying those specific legally required costs, if any, and obtaining an estimate of those costs in the near future.

12. Pension Plan Participation

The City of McAlester participates in four pension or retirement plans:

1. Oklahoma Firefighter's Pension and Retirement System (OFPRS) – a statewide cost-sharing plan
2. Oklahoma Police Pension and Retirement System (OPPRS) – a statewide cost-sharing plan
3. City of McAlester Employee's Retirement System – a single-employer defined benefit plan
4. City of McAlester Employee's Retirement System – a single-employer defined contribution plan

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	Governmental Activities	Business-Type Activities	Total Primary Government
Net Pension Asset:			
Police Pension System	\$ 205,606	\$ -	\$ 205,606
Net Pension Liability:			
Firefighter's Pension System	\$ 8,408,323	\$ -	\$ 8,408,323
City Pension	1,662,289	922,290	2,584,579
Total Net Pension Liability	\$ 10,070,612	\$ 922,290	\$ 10,992,902
Deferred Outflows of Resources:			
Police Pension System	\$ 2,042,048	\$ -	\$ 2,042,048
Firefighter's Pension System	2,167,382	-	2,167,382
City Pension	665,066	394,596	1,059,662
Total Deferred Outflows of Resources	\$ 4,874,496	\$ 394,596	\$ 5,269,092
Deferred Inflows of Resources:			
Police Pension System	\$ 453,273	\$ -	\$ 453,273
Firefighter's Pension System	874,062	-	874,062
City Pension	52,165	14,741	66,906
Total Deferred Inflows of Resources	\$ 1,379,500	\$ 14,741	\$ 1,394,241
Pension Expense (Benefit):			
Police Pension System	\$ 564,891	\$ -	\$ 564,891
Firefighter's Pension System	1,219,602	-	1,219,602
City Pension	59,071	32,775	91,846
Total Pension Expense	\$ 1,843,564	\$ 32,775	\$ 1,876,339

City of McAlester Employee's Retirement System Defined Benefit Plan:

The City contributes to the City of McAlester Employees' Retirement System (the "System"), which is a single employer defined benefit pension plan administered by the City of McAlester City Council. All non-union full-time City employees that were employed prior to July 1, 2013 participate in the System. The City's retirement ordinance requires that actuarial valuations be performed annually to determine if the City's fixed contribution rate is adequate to fund the actuarially determined contribution requirement. The System does not issue separate annual financial statements. On June 30, 2013 the Defined Benefit Pension Plan was frozen for all non-uniform active participants.

The following is a summary of funding policies, contribution methods, and benefit provisions:

Year established and governing authority	1995 by City Council Ordinance
Determination of Contribution requirements	Actuarially determined
Employer	7.12% of Payroll (\$420,953 annual required contribution)
Plan members	None required
Funding of administrative costs	Investment earnings
Period required to vest	10 years
Eligibility for distribution	Age 55 with ten years credited service. Annual rate of retirement starts at 5% at age 56.
Provisions for:	
Disability benefits	Yes
Death benefits	Yes

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A. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting - Disclosures of the System's financial condition are prepared using the accrual basis of accounting. Employer contributions are recognized as System revenues in the period in which employee services are performed.

B. Employees Covered by Benefit Terms

Active Employees	28
Terminated Vested Employees	22
Retirees or Retiree Beneficiaries	<u>107</u>
Total	<u>157</u>

C. Changes in Net Pension Liability

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. The following table reports the components of changes in net pension liability:

	Schedule of Changes in Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balances at 6/30/2022	\$ 15,880,914	\$ 12,210,880	\$ 3,670,034
Changes for the Year:			
Interest	1,097,236	-	1,097,236
Difference between expected and actual experience	(247,847)	-	(247,847)
Benefit payments, including refunds	(1,284,131)	(1,284,131)	-
Net investment income	-	1,525,464	(1,525,464)
City contributions	-	496,627	(496,627)
Plan administrative expenses	-	(87,247)	87,247
Net Changes	<u>(434,742)</u>	<u>650,713</u>	<u>(1,085,455)</u>
Balances at 6/30/23	<u>\$ 15,446,172</u>	<u>\$ 12,861,593</u>	<u>\$ 2,584,579</u>

The City reported \$91,846 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:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 41,308
Net difference between projected and actual earnings on pension plan investments	537,437	-
Changes in proportion and differences between City contributions and change in proportion share of contributions	25,598	25,598
City contributions subsequent to the measurement date	496,627	-
Total	<u>\$ 1,059,662</u>	<u>\$ 66,906</u>

The \$496,627 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	91,310
2026	2,661
2027	537,717
2028	(135,559)
<u>\$</u>	<u>496,129</u>

GASB 67 Pension Disclosures

Since the System does not issue separate financial statements, note disclosures required to be presented in accordance with GASB 67 are being reported in the City's notes to the financial statements. Additional disclosures required by GASB 67 follow.

Additional Accounting Policies, Actuarial Assumptions and Methods (GASB 67)

For GASB Statement 67 purposes, the method used to value investments is the market value (fair value).

GASB Statement 67 also requires the use of the Entry Age Normal actuarial cost method. Since this plan has been frozen, the method used for funding shown on page 59 (Projected Unit Credit) generates the same pension liability as the Entry Age Normal method.

The plan's policy in regard to the allocation of invested assets is established by the City Council. The current asset allocation policy is 70% equity investments, 25% fixed income investments, and 5% cash. 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 estimate of

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geometric real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	4.9%
International equity	1.2%
Fixed income	1.0%
Cash	0.1%
Total	7.2%

The discount rate used to measure the total pension liability was 7.20%. The City has, on average, made contributions that exceed the ADEC over the past five years. If the City continues to contribute in this fashion, the plan will always be sufficiently funded to pay benefits due. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the total pension liability. The annual money-weighted rate of return, net of expenses paid from the trust, was 13.97%.

The following presents the net pension liability calculated using the discount rate of 7.20 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.20 percent) or 1% point higher (8.20 percent) than the current rate:

City's Net Pension Liability	<u>1% Decrease (6.20%)</u>	<u>Current Discount Rate (7.20%)</u>	<u>1% Increase (8.20%)</u>
City's Net Pension Liability - 2022	\$ 5,266,924	\$ 3,670,034	\$ 2,298,324
City's Net Pension Liability - 2023	\$ 4,181,482	\$ 2,584,579	\$ 1,209,469
City's Net Pension Liability (Asset) - 2024	\$ 3,203,621	\$ 1,385,051	\$ (183,829)

The components of the net pension liability of the City as of June 30, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023 and 2024, were as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total Pension Liability	\$ 16,785,991	\$ 16,956,873	\$ 17,143,757	\$ 17,238,457	\$ 17,381,764	\$ 17,130,694	\$ 17,084,908	\$ 15,880,914	\$ 15,446,172	\$ 15,234,678
Plan Fiduciary Net Position	13,318,299	12,547,080	13,612,583	13,808,534	13,533,739	12,908,022	15,425,676	12,210,880	12,861,593	13,849,627
Net Pension Liability	<u>\$ 3,467,692</u>	<u>\$ 4,409,793</u>	<u>\$ 3,531,174</u>	<u>\$ 3,429,923</u>	<u>\$ 3,848,025</u>	<u>\$ 4,222,672</u>	<u>\$ 1,659,232</u>	<u>\$ 3,670,034</u>	<u>\$ 2,584,579</u>	<u>\$ 1,385,051</u>
Plan Fiduciary Net Position as a percentage of the total pension	79.3%	74.0%	79.4%	80.1%	77.9%	75.4%	90.3%	76.9%	83.3%	90.9%

Firefighter Pension System:

Plan Summary Information. The City of McAlester, as the employer, participates in a statewide cost-sharing multiple-employer defined benefit pension plan through the Oklahoma Firefighter's Pension and Retirement System (OFPRS). The OFPRS defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Pursuant to the requirements of Title 11, section 22-102, the City must participate in the plan if they employ fulltime or volunteer firefighters.

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Benefits provided - FPRS provides defined retirement benefits based on members' final average compensation, age, and term of service. In addition, the retirement program provides for benefits upon disability and to survivors upon death of eligible members. The Plan's benefits are established and amended by Oklahoma statute. Retirement provisions are as follows:

Normal Retirement:

- Hired Prior to November 1, 2013
Normal retirement is attained upon completing 20 years of service. The normal retirement benefit is equal to 50% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. For volunteer firefighters, the monthly pension benefit for normal retirement is \$150.60 per month.
- Hired After November 1, 2013
Normal retirement is attained upon completing 22 years of service. The normal retirement benefit is equal to 55% of the member's final average compensation. Final average compensation is defined as the monthly average of the highest 30 consecutive months of the last 60 months of participating service. Also, participants must be age 50 to begin receiving benefits. For volunteer firefighters, the monthly pension benefit for normal retirement is \$165.66 per month.

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-the-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-the-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 \$353,691. The State of Oklahoma also made on-behalf contributions to FPRS in the amount of \$916,102 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 \$744,816. These on-behalf payments did not meet the criteria of a special funding situation.

The OFPRS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to OFPRS, 6601 Broadway Ext. #100, Oklahoma City, OK 73116.

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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 net pension liability of \$8,408,323 for its proportionate share of the total 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 0.65168 percent.

For the year ended June 30, 2024, the City recognized pension expense of \$1,219,602. 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	\$ 999,983	\$ 10,675
Changes of assumptions	-	13,482
Net difference between projected and actual earnings on pension plan investments	554,689	-
Changes in proportion	257,169	844,747
City contributions during measurement date	1,850	5,158
City contributions subsequent to the measurement date	353,691	-
Total	<u>\$ 2,167,382</u>	<u>\$ 874,062</u>

The \$353,691 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	\$ 260,127
2026	2,526
2027	795,682
2028	<u>(118,706)</u>
Total	<u>\$ 939,629</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

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Mortality rates were based on the following:

- *Active members* – Pub-2010 Public Safety Table with generational mortality improvements 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, valuation 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	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%

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	\$ 10,956,408	\$ 8,408,323	\$ 6,277,450

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.

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Police Pension System:

Plan Summary Information. Pursuant to the requirements of Title 11, section 22-102, the City of McAlester participates in the statewide cost-sharing multi-employer defined benefit plan administered by the Oklahoma Police Pension and Retirement System (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 \$354,627. The State of Oklahoma also made on-behalf contributions to OPPRS in the amount of \$368,575 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 \$299,294. These on-behalf payments did not meet the criteria of a special funding situation.

The OPPRS issues a publicly available report that includes financial statements, which can be obtained from the Oklahoma Police Pension and Retirement System, 1001 N.W. 63rd Street, Oklahoma City, OK, 73116-7335.

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Net 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 an asset of \$205,606 for its proportionate share of the total 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 0.6732 percent.

For the year ended June 30, 2024, the City recognized pension expense of \$564,891. 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	\$ 562,848	\$ 31,709
Changes of assumptions	-	383,786
Net difference between projected and actual earnings on pension plan investments	1,018,696	-
Changes in proportion	86,962	31,139
City contributions during measurement date	18,915	6,639
City contributions subsequent to the measurement date	354,627	-
Total	<u>\$ 2,042,048</u>	<u>\$ 453,273</u>

\$354,627 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 an addition to the net pension liability (asset) 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	\$ 206,189
2026	15,825
2027	807,504
2028	196,169
2029	8,461
Total	<u>\$ 1,234,148</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

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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 were based on the results of an actuarial experience study for the period July 1, 2012, to June 30, 2017.

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:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	5.78%
Domestic equity	7.73%
International equity	11.55%
Real estate	7.66%
Private equity/debt	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.

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Employers' net pension liability (asset)	\$ 1,941,263	\$(205,606)	\$(2,023,331)

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.

Summary of Contributions:

Oklahoma Firefighter's Pension and Retirement System			Oklahoma Police Pension and Retirement System		
<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>	<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percentage Contributed</u>
2022	339,743	100%	2022	327,207	100%
2023	341,276	100%	2023	350,870	100%
2024	353,691	100%	2024	354,627	100%

OMRF Defined Contribution Plan:

Effective July 1, 2013, the City has also provided a defined contribution plan and trust known as the City of McAlester Plan and Trust (the "Plan") in the form of The Oklahoma Municipal Retirement System Master Defined Contribution Plan (OMRF). OMRF operations are supervised by a nine-member Board of Trustees elected by the participating municipalities. The plan is administered by JPMorgan Chase Bank. The defined contribution plan is available to all full-time employees except those participating in state fire or police programs. Benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate upon employment. By City ordinance, the City, as employer, shall contribute to the Fund an amount equal to 50% of the Participant's contributions under the City's Deferred Compensation Plan 457. The Employer match shall be limited to 6.00% of these Participant's earnings effective July 1, 2013. The City's contributions for each employee (and interest allocated to the employee's account) are vested at a rate of 100% after 5 years of service. City contributions for, and interest forfeited by, employees who leave employment prior to fully vesting shall reduce the Employer contribution. The authority to establish and amend the provisions of the plan rests with the City Council.

For the year ended June 30, 2024, the City contributed \$213,089 to the plan.

OMRF issues separate plan financial statements which may be obtained by contacting the Oklahoma Municipal Retirement Fund, 1001 N.W. 63rd, Suite 260, Oklahoma City, Oklahoma, 73116.

REQUIRED SUPPLEMENTARY INFORMATION

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Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2024

	GENERAL FUND (BUDGETARY BASIS)			
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance:	\$ 1,000,181	\$ 1,357,181	\$ 1,495,640	\$ 138,459
Resources (Inflows):				
TAXES:				
Sales tax	9,894,128	9,644,128	9,245,602	(398,526)
Use tax	2,317,835	2,167,835	2,127,420	(40,415)
Franchise tax	677,779	677,779	656,340	(21,439)
Sales tax increment	-	1,511,953	1,494,121	(17,832)
Total Taxes	12,889,742	14,001,695	13,523,483	(478,212)
INTERGOVERNMENTAL:				
Alcoholic beverage tax	249,800	249,800	244,119	(5,681)
Tobacco/cigarette tax	142,000	122,000	122,812	812
Gas excise tax	36,849	36,849	31,995	(4,854)
Vehicle tax	138,000	133,278	133,279	1
Grant revenue	56,500	77,422	101,128	23,706
Healthcare reimbursement by state	125,000	144,245	144,245	-
BCBS Wellness Credit	-	97,901	75,000	(22,901)
Total Intergovernmental	748,149	861,495	852,578	(8,917)
CHARGES FOR SERVICES:				
Court costs	260,000	260,000	252,256	(7,744)
Cemetery opening/closing	20,000	20,000	21,500	1,500
Incarceration fee	12,500	12,500	6,324	(6,176)
Cemetery fees	8,000	8,000	4,950	(3,050)
Swimming pool revenue	12,500	24,326	24,326	-
Ambulance revenue	925,000	1,093,889	1,093,456	(433)
Street cuts	3,000	3,000	9,565	6,565
Recreation fees	5,000	5,000	1,995	(3,005)
Oil and gas leases	475,000	475,000	421,574	(53,426)
Abatements	50,000	114,048	43,258	(70,790)
Rental rooms	2,300	2,300	4,230	1,930
Burgular alarms	12,000	12,000	8,245	(3,755)
Complex concessions	22,000	22,000	23,476	1,476
Complex rental	12,500	12,500	14,592	2,092
Total Charges for Services	1,819,800	2,064,563	1,929,747	(134,816)
FINES AND FORFEITURES	653,250	653,250	597,711	(55,539)
LICENSES AND PERMITS	150,600	150,600	128,445	(22,155)
INVESTMENT INCOME	100,000	254,266	254,266	-
MISCELLANEOUS:				
Auctions	25,000	25,000	1,832	(23,168)
Hay sales	1,300	1,300	1,000	(300)
Cemetery lots	15,000	15,000	6,584	(8,416)
Demolitions	1,500	1,500	360	(1,140)
Court admin fee	4,000	4,000	4,019	19
Miscellaneous	8,885	8,885	8,272	(613)
Reimbursements	128,500	157,952	148,498	(9,454)
Total Miscellaneous	184,185	213,637	170,565	(43,072)
OTHER FINANCING SOURCES:				
Transfers from other funds	1,000,000	1,000,000	1,000,000	-
Total Other Financing Sources	1,000,000	1,000,000	1,000,000	-
Amounts available for appropriation	18,545,907	20,556,687	19,952,435	(604,252)

(Continued)

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(Continued)			
GENERAL FUND (BUDGETARY BASIS)			
	Budgeted Amounts		Variance with
	Original	Final	Final Budget Positive (Negative)
Charges to Appropriations (Outflows):			
LEGISLATURE	430,831	452,141	451,492 649
ADMINISTRATION:			
City Manager	557,197	403,998	347,472 56,526
Finance	469,820	467,465	450,906 16,559
City Clerk	152,884	146,164	132,184 13,980
City Attorney	138,055	138,031	137,343 688
Court	265,631	258,551	247,096 11,455
Interdepartmental	1,590,175	2,955,507	2,737,105 218,402
Information Services	585,964	575,787	537,719 38,068
CID	604,102	569,614	514,416 55,198
TOTAL ADMINISTRATION	4,363,828	5,515,117	5,104,241 410,876
PUBLIC SAFETY:			
Patrol	3,660,926	4,023,787	3,907,583 116,204
Animal Control	61,484	61,100	54,259 6,841
Communications	204,979	203,963	187,413 16,550
Fire	4,061,970	4,155,851	3,825,821 330,030
EMS	181,850	206,620	198,922 7,698
TOTAL PUBLIC SAFETY	8,171,209	8,651,321	8,173,998 477,323
COMMUNITY SERVICES:			
Parks	1,144,676	1,115,798	963,957 151,841
Swimming Pools	175,906	175,917	117,238 58,679
Recreation	258,851	249,769	136,150 113,619
Cemetery	265,206	267,536	240,640 26,896
Facility Maintenance	313,421	311,098	245,276 65,822
Carl Albert Building	107,750	107,750	82,224 25,526
TOTAL COMMUNITY SERVICES	2,265,810	2,227,868	1,785,485 442,383
ADMINISTRATIVE SERVICES:			
Planning & Community Development	586,725	550,143	447,622 102,521
Human Resources/Risk Management	289,755	283,290	238,669 44,621
TOTAL ADMINISTRATIVE SERVICES	876,480	833,433	686,291 147,142
PUBLIC WORKS:			
Traffic Control	116,717	112,360	84,143 28,217
Streets	1,417,473	1,374,061	1,164,289 209,772
TOTAL PUBLIC WORKS	1,534,190	1,486,421	1,248,432 237,989
OTHER FINANCING USES:			
Transfers to other funds	903,559	808,559	830,640 (22,081)
Total Charges to Appropriations	18,545,907	19,974,860	18,280,579 1,694,281
Ending Budgetary Fund Balance	\$ -	\$ 581,827	\$ 1,671,856 \$ 1,090,029

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Budgetary Comparison Schedules (Budgetary Basis) – Year Ended June 30, 2024, (Continued)

<u>SPECIAL REVENUE - RESERVE FUND (Budgetary Basis)</u>				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ 2,200,000	\$ 3,980,277	\$ 1,780,277
Resources (Inflows):				
Investment income	-	101,868	101,868	-
Amounts available for appropriation	-	2,301,868	4,082,145	1,780,277
Charges to appropriations (outflows):				
Transfers out	-	2,200,000	2,200,000	-
Total Charges to Appropriations	-	2,200,000	2,200,000	-
Ending Budgetary Fund Balance	\$ -	\$ 101,868	\$ 1,882,145	\$ 1,780,277

See accompanying notes to budgetary comparison schedules

Footnotes to Budgetary Comparison Schedules:

1. The City prepares its budgets for all funds on the cash basis of accounting for all revenues except for on-behalf payments made, and those that are billed by the City (i.e., misc receivables). The modified accrual basis of accounting is used for budgeting of expenditures with the exception of on-behalf payments made, the net effect of certain year-end payroll accruals, and outstanding encumbrances related to capital items. 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. Encumbrances outstanding and their related appropriations are lapsed at year end and are re-appropriated and re-encumbered in the subsequent fiscal year.
2. The legal level of appropriation control is the department level within a fund set by a Resolution that adopts the annual budget. Transfers of appropriation between departments within a fund require the approval of the City Manager, subject to a dollar limitation of \$25,000. However, by practice, the city has brought all budget amendments over \$25,000 to City Council for their informational purposes. All supplemental appropriations require the approval of the City Council. Supplemental appropriations must be filed with the Office of the State Auditor and Inspector.
3. The budgetary basis differs from the modified accrual basis as shown in the schedule below:

	<u>General Fund</u>
Sources/Inflows of resources	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$19,952,435
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.	(1,495,640)
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(1,000,000)

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The City reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	1,284,677
The City reports the Nutrition Account as part of the General Fund in the fund financial statements, but are not included in the budget to actual.	49,369
The City budgets for revenues on the modified cash basis of accounting, rather than on the modified accrual basis.	<u>(10,706)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$18,780,135</u>
Uses/Outflows of resources	
Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$18,280,579
Differences – budget to GAAP:	
The City budgets for payroll and miscellaneous accrued liabilities on the modified cash basis, rather than on the modified accrual basis.	(62,675)
The City reports on-behalf payments made by state in the General Fund in the fund financial statements, but are not budgeted.	1,284,677
The City reports the Nutrition Account as part of the General Fund in the fund financial statements, but are not included in the budget to actual.	286,976
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(830,640)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$18,958,917</u>
	<u>Reserve Fund</u>
Sources/Inflows of resources	
Actual amounts (budgetary basis) “available appropriation” from the budgetary comparison schedule	\$4,082,145
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.	<u>(3,980,277)</u>
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$101,868</u>
Uses/Outflows of resources	
Actual amounts (budgetary basis) “total charges to appropriations” from the budgetary comparison schedule	\$2,200,000
Differences – budget to GAAP:	
Transfers to other funds and component units are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>(2,200,000)</u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance – governmental funds	<u>\$ -</u>

4. For the year ended June 30, 2024, the City complied, in all material respects, with the applicable budget laws.

CITY OF MCALESTER, OKLAHOMA

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Required Supplementary Information
City of McAlester Employee's Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total pension liability										
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	1,159,854	1,170,468	1,178,194	1,190,824	1,195,454	1,202,785	1,181,301	1,168,486	1,097,236	1,065,897
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	4,086	25,240	103,095	68,272	161,251	(200,112)	152,269	(1,028,990)	(247,847)	(2,653)
Changes of assumptions	-	-	-	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(992,553)	(1,024,826)	(1,094,405)	(1,164,396)	(1,213,398)	(1,253,743)	(1,379,356)	(1,343,490)	(1,284,131)	(1,274,738)
Net change in total pension liability	171,387	170,882	186,884	94,700	143,307	(251,070)	(45,786)	(1,203,994)	(434,742)	(211,494)
Total pension liability - beginning	16,614,604	16,785,991	16,956,873	17,143,757	17,238,457	17,381,764	17,130,694	17,084,908	15,880,914	15,446,172
Total pension liability - ending (a)	\$ 16,785,991	\$ 16,956,873	\$ 17,143,757	\$ 17,238,457	\$ 17,381,764	\$ 17,130,694	\$ 17,084,908	\$ 15,880,914	\$ 15,446,172	\$ 15,234,678
Plan fiduciary net position										
Contributions - employer	\$ 495,901	\$ 618,056	\$ 600,552	\$ 450,504	\$ 427,843	\$ 453,602	\$ 453,602	\$ 518,088	\$ 496,627	\$ 496,627
Contributions - member	-	-	-	-	-	-	-	-	-	-
Net investment income	132,780	(240,387)	1,691,613	1,039,420	629,480	291,619	3,566,897	(2,289,038)	1,525,464	1,852,084
Benefit payments, including refunds of member contributions	(992,553)	(1,024,826)	(1,094,405)	(1,164,396)	(1,213,398)	(1,253,743)	(1,379,356)	(1,343,490)	(1,284,131)	(1,274,738)
Administrative expense	(127,870)	(124,062)	(132,257)	(129,577)	(118,720)	(117,195)	(123,489)	(100,356)	(87,247)	(85,939)
Other	481	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(491,261)	(771,219)	1,065,503	195,951	(274,795)	(625,717)	2,517,654	(3,214,796)	650,713	988,034
Plan fiduciary net position - beginning	13,809,560	13,318,299	12,547,080	13,612,583	13,808,534	13,533,739	12,908,022	15,425,676	12,210,880	12,861,593
Plan fiduciary net position - ending (b)	\$ 13,318,299	\$ 12,547,080	\$ 13,612,583	\$ 13,808,534	\$ 13,533,739	\$ 12,908,022	\$ 15,425,676	\$ 12,210,880	\$ 12,861,593	\$ 13,849,627
Net pension liability - ending (a) - (b)	\$ 3,467,692	\$ 4,409,793	\$ 3,531,174	\$ 3,429,923	\$ 3,848,025	\$ 4,222,672	\$ 1,659,232	\$ 3,670,034	\$ 2,584,579	\$ 1,385,051
Plan fiduciary net position as a percentage of the total pension liability	79.3%	74.0%	79.4%	80.1%	77.9%	75.4%	90.3%	76.9%	83.3%	90.9%
Covered payroll	\$ 3,714,076	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	93.4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes to Schedule:

The plan was frozen on July 1, 2013.

Since the plan's benefits were frozen as of July 1, 2013, payroll information is no longer being collected because it is no longer needed to perform the actuarial evaluation

CITY OF MCALESTER, OKLAHOMA
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Required Supplementary Information
City of McAlester Employee's Retirement System

Schedule of Employer Contributions

Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 489,408	\$ 458,246	\$ 478,557	\$ 427,842	\$ 453,602	\$ 503,352	\$ 518,091	\$ 496,627	\$ 427,675	\$ 420,953
Contributions in relation to the actuarially determined contribution	495,901	593,512	600,552	450,504	427,843	453,602	453,602	518,088	496,627	496,627
Contribution deficiency (excess)	<u>\$ (6,493)</u>	<u>\$ (135,266)</u>	<u>\$ (121,995)</u>	<u>\$ (22,662)</u>	<u>\$ 25,759</u>	<u>\$ 49,750</u>	<u>\$ 64,489</u>	<u>\$ (21,461)</u>	<u>\$ (68,952)</u>	<u>\$ (75,674)</u>
Covered payroll	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)
Contributions as a percentage of covered payroll	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)	N/A (Note 4)

Notes to Schedule:

- Plan frozen on July 1, 2013.
- Latest Valuation Date: July 1, 2023
- Methods and assumptions used to determine contribution rates:
 Actuarial cost method - Projected Unit Credit
 Amortization method - Level dollar, post 2009 liabilities open, pre 2009 liabilities closed
 Remaining amortization period - Closed part = 3 years
 Asset valuation method - Actuarial:
 Smoothing period - 5 years
 Salary increases - Frozen at this time
 Investment rate of return - 7.2%, net of pension plan investment expense
- Since the plan's benefits were frozen as of July 1, 2013, payroll information is no longer being collected because it is no longer needed to perform the actuarial valuation.

Required Supplementary Information

Schedule of Investment Returns

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	0.2%	0.24%	-2.57%	12.81%	7.00%	4.00%	1.47%	27.45%	-15.53%	12.04%

CITY OF MCALESTER, OKLAHOMA

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Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MCALESTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability	0.774228%	0.747576%	0.761806%	0.750071%	0.724812%	0.732668%	0.748001%	0.692638%	0.735140%	0.651681%
City's proportionate share of the net pension liability	\$ 7,961,756	\$ 7,934,836	\$ 9,307,102	\$ 9,433,823	\$ 8,158,806	\$ 7,741,853	\$ 9,214,722	\$ 4,561,482	\$ 9,613,685	\$ 8,408,323
City's covered payroll	\$ 2,067,321	\$ 2,042,764	2,128,125	2,134,671	2,145,115	2,263,201	2,394,465	2,256,630	2,426,732	2,437,683
City's proportionate share of the net pension liability as a percentage of its covered payroll	385%	388%	437%	442%	380%	342%	385%	202%	396%	345%
Plan fiduciary net position as a percentage of the total pension liability	68.12%	68.27%	64.87%	66.61%	70.73%	72.85%	69.98%	84.24%	69.49%	70.90%

The amounts present for each fiscal year were determined as of 6/30

Notes to Schedule:

Current year measurement date is June 30, 2023

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 285,987	\$ 297,937	\$ 298,853	\$ 300,317	\$ 316,849	\$ 335,651	\$ 315,929	\$ 339,743	\$ 341,276	\$ 353,691
Contributions in relation to the statutorily required contribution	285,987	297,937	298,853	300,317	316,849	335,651	315,929	339,743	341,276	353,691
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered payroll	\$ 2,042,764	2,128,125	2,134,671	2,145,115	2,263,201	2,394,465	2,256,630	2,426,732	2,437,683	2,522,312
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.02%	14.00%	14.00%	14.00%	14.02%

CITY OF MCALESTER, OKLAHOMA
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Schedules of Required Supplementary Information
SCHEDULE OF THE CITY OF MCALESTER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
City's proportion of the net pension liability (asset)	0.7942%	0.8215%	0.8551%	0.8220%	0.7797%	0.7435%	0.7512%	0.6894%	0.7262%	0.6732%
City's proportionate share of the net pension liability (asset)	\$ (267,389)	\$ 33,497	\$ 1,309,556	\$ 63,229	\$ (371,422)	\$ (47,463)	\$ 862,693	\$ (3,307,245)	\$ (582,345)	\$ (205,606)
City's covered payroll	\$ 2,217,808	\$ 2,401,492	\$ 2,435,869	\$ 2,451,108	\$ 2,378,392	\$ 2,417,685	\$ 2,516,794	\$ 2,388,728	\$ 2,516,973	\$ 2,698,996
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(12.06)%	1.39%	53.76%	2.58%	(15.62)%	(1.96)%	34.28%	(138.45)%	(23.14)%	(7.62)%
Plan fiduciary net position as a percentage of the total pension liability	101.53%	99.82%	93.50%	99.68%	101.89%	100.24%	95.80%	117.07%	102.74%	101.02%

Notes to Schedule:

Current year measurement date is June 30, 2023.

SCHEDULE OF CITY CONTRIBUTIONS
OKLAHOMA POLICE PENSION & RETIREMENT SYSTEM
Last 10 Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Statutorily required contribution	\$ 312,194	\$ 316,663	\$ 318,644	\$ 309,191	\$ 314,299	\$ 327,058	\$ 310,535	\$ 327,207	\$ 350,870	\$ 357,423
Contributions in relation to the statutorily required contribution	312,194	316,663	318,644	309,191	314,299	327,058	310,535	327,207	350,870	354,627
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,796
City's covered payroll	\$ 2,401,492	\$ 2,435,869	\$ 2,451,108	\$ 2,378,392	\$ 2,417,685	\$ 2,516,794	\$ 2,388,728	\$ 2,516,973	\$ 2,698,996	\$ 2,749,405
Contributions as a percentage of covered payroll	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	13.00%	12.90%

OTHER SUPPLEMENTARY INFORMATION

CITY OF MCALESTER, OKLAHOMA
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Combining Balance Sheet, General Fund Accounts – June 30, 2024

	General Fund	Nutrition Account	Total General Fund
ASSETS			
Cash and cash equivalents	\$ 2,058,134	\$ 159,234	\$ 2,217,368
Investments	167,786	-	167,786
Receivables:			
Due from other governments	1,637,301	8,348	1,645,649
Franchise tax receivable	56,241	-	56,241
Due from other funds	4,840	-	4,840
Court fines receivable, net of allowance	1,814,393	-	1,814,393
Ambulance receivable, net of allowance	62,764	-	62,764
Other receivables, net of allowance	2,664	-	2,664
 Total assets	 <u>\$ 5,804,123</u>	 <u>\$ 167,582</u>	 <u>\$ 5,971,705</u>
 LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 455,725	\$ 4,916	\$ 460,641
Accrued payroll liabilities	405,190	5,804	410,994
Due to other funds	1,678,166	-	1,678,166
Unearned revenue	3,866	-	3,866
Due to bondholders	18,220	-	18,220
 Total liabilities	 <u>2,561,167</u>	 <u>10,720</u>	 <u>2,571,887</u>
Deferred inflows of resources:			
Unavailable revenue	1,771,094	-	1,771,094
Fund balances:			
Assigned	712,864	156,862	869,726
Unassigned	758,998	-	758,998
 Total fund balances	 <u>1,471,862</u>	 <u>156,862</u>	 <u>1,628,724</u>
 Total liabilities, deferred inflows and fund balances	 <u>\$ 5,804,123</u>	 <u>\$ 167,582</u>	 <u>\$ 5,971,705</u>

CITY OF MCALESTER, OKLAHOMA
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As of and for the Year Ended June 30, 2024

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances, General Fund
Accounts – Year Ended June 30, 2024

	General Fund	Nutrition Account	Total General Fund
REVENUES			
Taxes	\$ 13,509,805	\$ -	\$ 13,509,805
Intergovernmental	2,137,119	49,369	2,186,488
Charges for services	1,933,958	-	1,933,958
Fines and forfeitures	596,608	-	596,608
Licenses and permits	128,445	-	128,445
Investment earnings	254,266	-	254,266
Miscellaneous	170,565	-	170,565
	<u>18,730,766</u>	<u>49,369</u>	<u>18,780,135</u>
EXPENDITURES			
Current:			
Legislative	451,562	-	451,562
Administration	5,056,307	-	5,056,307
Public safety	9,437,757	-	9,437,757
Community services	1,688,963	-	1,688,963
Administrative services	689,642	-	689,642
Health and welfare	-	286,976	286,976
Public works	1,249,746	-	1,249,746
Debt Service:			
Principal	57,564	-	57,564
Interest and other charges	5,875	-	5,875
Capital Outlay	34,525	-	34,525
	<u>18,671,941</u>	<u>286,976</u>	<u>18,958,917</u>
Excess (deficiency) of revenues over expenditures	<u>58,825</u>	<u>(237,607)</u>	<u>(178,782)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,000,000	-	1,000,000
Transfers out	(640,640)	-	(640,640)
Interaccount transfers	(190,000)	190,000	-
	<u>169,360</u>	<u>190,000</u>	<u>359,360</u>
Net change in fund balances	228,185	(47,607)	180,578
Fund balances - beginning	1,243,677	204,469	1,448,146
Fund balances - ending	<u>\$ 1,471,862</u>	<u>\$ 156,862</u>	<u>\$ 1,628,724</u>

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2024

	SPECIAL REVENUE FUNDS							Child Abuse Response Fund
	Juvenile Fine Fund	Tourism Fund	E-911 Fund	Gifts & Contributions Fund	Stormwater Fund	Economic Development Fund	MRHC-Cancer Center Fund	
ASSETS								
Cash and cash equivalents	\$ 49	\$ 1,373,512	\$ 199,961	\$ 341,115	\$ 2,883,574	\$ 1,279,815	\$ -	\$ 2,415
Investments	-	-	-	-	-	267,381	-	-
Accounts receivable, net of allowance	-	-	-	-	102,466	100	-	-
Due from other funds	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	17,577	-	5,318	76,529	-
Other receivables	-	54,932	55,566	-	-	-	-	-
Lease receivable	-	-	-	252,325	-	13,804	-	-
Total assets	<u>\$ 49</u>	<u>\$ 1,428,444</u>	<u>\$ 255,527</u>	<u>\$ 611,017</u>	<u>\$ 2,986,040</u>	<u>\$ 1,566,418</u>	<u>\$ 76,529</u>	<u>\$ 2,415</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ 11,112	\$ 5,772	\$ 51,560	\$ 65,373	\$ 4,572	\$ -	\$ 2,375
Accrued payroll liabilities	49	2,635	15,955	-	-	4,158	-	-
Due to other funds	-	-	4,840	-	-	-	-	-
Unearned revenue	-	-	-	-	-	820,743	-	-
Total liabilities	<u>49</u>	<u>13,747</u>	<u>26,567</u>	<u>51,560</u>	<u>65,373</u>	<u>829,473</u>	<u>-</u>	<u>2,375</u>
Deferred Inflows of Resources:								
Deferred Inflows-Leases	-	-	-	250,561	-	13,554	-	-
Unavailable revenue	-	-	-	17,577	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>268,138</u>	<u>-</u>	<u>13,554</u>	<u>-</u>	<u>-</u>
Fund Balances:								
Restricted	-	826,408	228,960	252,934	2,920,667	-	76,529	40
Assigned	-	588,289	-	38,385	-	723,391	-	-
Total fund balances	<u>-</u>	<u>1,414,697</u>	<u>228,960</u>	<u>291,319</u>	<u>2,920,667</u>	<u>723,391</u>	<u>76,529</u>	<u>40</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 49</u>	<u>\$ 1,428,444</u>	<u>\$ 255,527</u>	<u>\$ 611,017</u>	<u>\$ 2,986,040</u>	<u>\$ 1,566,418</u>	<u>\$ 76,529</u>	<u>\$ 2,415</u>

(Continued)

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2024, Continued

	CAPITAL PROJECT FUNDS						
	Police Grant Fund	State Forfeiture Fund	Cemetery Perpetual Care Fund	CDBG Grants Fund	Federal Forfeiture Fund	Fire Improvement Grant Fund	Capital Improvement Plan Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 11,935	\$ 450,659	\$ -	\$ 464	\$ 260	\$ 2,550,063
Investments	-	-	-	-	-	-	-
Accounts receivable, net of allowance	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	800,000
Due from other governments	19,370	-	-	30,892	-	-	60,974
Other receivables	-	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-	178,481
Total assets	<u>\$ 19,370</u>	<u>\$ 11,935</u>	<u>\$ 450,659</u>	<u>\$ 30,892</u>	<u>\$ 464</u>	<u>\$ 260</u>	<u>\$ 3,589,518</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ 58,571
Accrued payroll liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,571</u>
Deferred Inflows of Resources:							
Deferred Inflows-Leases	-	-	-	-	-	-	178,070
Unavailable revenue	-	-	-	30,892	-	-	20,449
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,892</u>	<u>-</u>	<u>-</u>	<u>198,519</u>
Fund Balances:							
Restricted	19,370	11,367	450,659	-	450	260	800,000
Assigned	-	568	-	-	14	-	2,532,428
Total fund balances	<u>19,370</u>	<u>11,935</u>	<u>450,659</u>	<u>-</u>	<u>464</u>	<u>260</u>	<u>3,332,428</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 19,370</u>	<u>\$ 11,935</u>	<u>\$ 450,659</u>	<u>\$ 30,892</u>	<u>\$ 464</u>	<u>\$ 260</u>	<u>\$ 3,589,518</u>

(Continued)

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Balance Sheet, Nonmajor Governmental Funds – June 30, 2024, Continued

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUNDS			Total Nonmajor Governmental Funds
	Technology Fund	Infrastructure Fund	American Rescue Plan Fund	Police Equipment Fund	Sales Tax - Schools Fund	Sinking Fund	OWRB Debt Service Fund	
ASSETS								
Cash and cash equivalents	\$ 72,557	\$ 2,723,601	\$ 89,146	\$ 108,314	\$ 270	\$ 155	\$ 622,131	\$ 12,709,996
Investments	-	-	-	-	-	-	-	267,381
Accounts receivable, net of allowance	94,189	94,188	-	-	-	-	-	290,943
Due from other funds	-	-	-	-	-	-	-	800,000
Due from other governments	-	452,010	-	-	76,529	-	153,057	892,256
Other receivables	-	-	-	-	-	-	-	110,498
Lease receivable	-	-	-	-	-	-	-	444,610
Total assets	<u>\$ 166,746</u>	<u>\$ 3,269,799</u>	<u>\$ 89,146</u>	<u>\$ 108,314</u>	<u>\$ 76,799</u>	<u>\$ 155</u>	<u>\$ 775,188</u>	<u>\$ 15,515,684</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES								
Liabilities:								
Accounts payable and accrued liabilities	\$ 27,824	\$ 3,278	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,437
Accrued payroll liabilities	-	-	-	-	-	-	-	22,797
Due to other funds	-	-	-	-	-	-	-	4,840
Unearned revenue	-	-	72,813	-	-	-	-	893,556
Total liabilities	<u>27,824</u>	<u>3,278</u>	<u>72,813</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151,630</u>
Deferred Inflows of Resources:								
Deferred Inflows-Leases	-	-	-	-	-	-	-	442,185
Unavailable revenue	82,967	82,966	-	-	-	-	-	234,851
Total deferred inflows of resources	<u>82,967</u>	<u>82,966</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>677,036</u>
Fund Balances:								
Restricted	46,490	1,848,316	-	107,506	76,799	155	775,188	8,442,098
Assigned	9,465	1,335,239	16,333	808	-	-	-	5,244,920
Total fund balances	<u>55,955</u>	<u>3,183,555</u>	<u>16,333</u>	<u>108,314</u>	<u>76,799</u>	<u>155</u>	<u>775,188</u>	<u>13,687,018</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 166,746</u>	<u>\$ 3,269,799</u>	<u>\$ 89,146</u>	<u>\$ 108,314</u>	<u>\$ 76,799</u>	<u>\$ 155</u>	<u>\$ 775,188</u>	<u>\$ 15,515,684</u>

CITY OF MCALESTER, OKLAHOMA
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Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2024

	SPECIAL REVENUE FUNDS							
	Juvenile Fine Fund	Tourism Fund	E-911 Fund	Gifts & Contributions Fund	Stormwater Fund	Economic Development Fund	MRHC-Cancer Center Fund	Child Abuse Response Fund
REVENUES								
Taxes	\$ -	\$ 721,677	\$ 630,867	\$ -	\$ -	\$ -	\$ 578,825	\$ -
Intergovernmental	-	-	53,399	-	-	220,973	-	-
Charges for services	3,794	1,887	-	-	1,234,279	-	-	26,679
Investment earnings	-	-	1,951	3,852	-	31,917	-	72
Miscellaneous	-	8	320	304,554	-	110,434	-	-
Total revenues	3,794	723,572	686,537	308,406	1,234,279	363,324	578,825	26,751
EXPENDITURES								
Current:								
Administration	-	-	-	109,010	-	-	-	26,751
Public safety	10,868	-	701,863	-	-	-	-	-
Community services	-	-	-	-	-	-	-	-
Administrative services	-	343,460	-	-	-	-	-	-
Economic development	-	-	-	-	-	330,264	-	-
Payment to MRHC-Cancer Center	-	-	-	-	-	-	577,850	-
Capital Outlay	-	19,878	-	638,813	416,374	215,807	-	-
Debt Service:								
Principal	-	-	-	-	35,405	-	-	-
Interest and other charges	-	-	-	-	660	-	-	-
Total expenditures	10,868	363,338	701,863	747,823	452,439	546,071	577,850	26,751
Excess (deficiency) of revenues over expenditures	(7,074)	360,234	(15,326)	(439,417)	781,840	(182,747)	975	-
OTHER FINANCING SOURCES (USES)								
Transfers in	7,074	-	215,556	-	-	115,553	-	-
Transfers out	-	-	-	-	-	(3,390)	-	-
Total other financing sources and uses	7,074	-	215,556	-	-	112,163	-	-
Net change in fund balances	-	360,234	200,230	(439,417)	781,840	(70,584)	975	-
Fund balances - beginning	-	1,054,463	28,730	730,736	2,138,827	793,975	75,554	40
Fund balances - ending	\$ -	\$ 1,414,697	\$ 228,960	\$ 291,319	\$ 2,920,667	\$ 723,391	\$ 76,529	\$ 40

(Continued)

CITY OF MCALESTER, OKLAHOMA
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As of and for the Year Ended June 30, 2024

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2024 (Continued)

	CAPITAL PROJECT FUNDS						
	Police Grant Fund	State Forfeiture Fund	Cemetery Perpetual Care Fund	CDBG Grants Fund	Federal Forfeiture Fund	Fire Improvement Grant Fund	Capital Improvement Plan Fund
REVENUES							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	29,654	1,217	-	82,712	-	-	47,293
Charges for services	-	-	4,041	-	-	-	-
Investment earnings	-	347	13,432	-	14	-	2,428
Miscellaneous	-	-	-	-	-	-	275,387
Total revenues	29,654	1,564	17,473	82,712	14	-	325,108
EXPENDITURES							
Current:							
Administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Community services	-	-	-	32,000	-	-	-
Administrative services	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Payment to MRHC-Cancer Center	-	-	-	-	-	-	-
Capital Outlay	29,655	-	-	30,892	-	-	1,721,683
Debt Service:							
Principal	-	-	-	-	-	-	203,855
Interest and other charges	-	-	-	-	-	-	4,233
Total expenditures	29,655	-	-	62,892	-	-	1,929,771
Excess (deficiency) of revenues over expenditures	(1)	1,564	17,473	19,820	14	-	(1,604,663)
OTHER FINANCING SOURCES (USES)							
Transfers in	15,007	-	-	42,391	-	-	3,139,063
Transfers out	-	-	-	-	-	-	(230,354)
Total other financing sources and uses	15,007	-	-	42,391	-	-	2,908,709
Net change in fund balances	15,006	1,564	17,473	62,211	14	-	1,304,046
Fund balances - beginning	4,364	10,371	433,186	(62,211)	450	260	2,028,382
Fund balances - ending	\$ 19,370	\$ 11,935	\$ 450,659	\$ -	\$ 464	\$ 260	\$ 3,332,428
							(Continued)

(Continued)

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, Nonmajor Governmental Funds – Year Ended June 30, 2024 (Continued)

	CAPITAL PROJECT FUNDS				DEBT SERVICE FUNDS			Total Nonmajor Governmental Funds
	Technology Fund	Infrastructure Fund	American Rescue Plan Fund	Police Equipment Fund	Sales Tax - Schools Fund	Sinking Fund	OWRB Debt Service Fund	
REVENUES								
Taxes	\$ -	\$ 2,315,297	\$ -	\$ -	\$ 578,825	\$ 15	\$ 1,157,648	\$ 5,983,154
Intergovernmental	-	349,941	60,414	-	-	-	-	845,603
Charges for services	74,136	74,341	-	107,506	-	-	-	1,526,663
Investment earnings	-	73,508	4,349	808	-	-	-	132,678
Miscellaneous	-	44,158	-	-	-	-	-	734,861
Total revenues	74,136	2,857,245	64,763	108,314	578,825	15	1,157,648	9,222,959
EXPENDITURES								
Current:								
Administration	-	-	-	-	-	-	-	135,761
Public safety	-	-	-	-	-	-	-	712,731
Community services	-	-	-	-	577,850	-	-	609,850
Administrative services	-	-	-	-	-	-	-	343,460
Economic development	-	-	-	-	-	-	-	330,264
Payment to MRHC-Cancer Center	-	-	-	-	-	-	-	577,850
Capital Outlay	36,845	1,467,759	60,413	-	-	-	-	4,638,119
Debt Service:								
Principal	-	-	-	-	-	-	-	239,260
Interest and other charges	-	-	-	-	-	-	500	5,393
Total expenditures	36,845	1,467,759	60,413	-	577,850	-	500	7,592,688
Excess (deficiency) of revenues over expenditures	37,291	1,389,486	4,350	108,314	975	15	1,157,148	1,630,271
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	264,235	3,798,879
Transfers out	-	-	-	-	-	-	(1,304,811)	(1,538,555)
Total other financing sources and uses	-	-	-	-	-	-	(1,040,576)	2,260,324
Net change in fund balances	37,291	1,389,486	4,350	108,314	975	15	116,572	3,890,595
Fund balances - beginning	18,664	1,794,069	11,983	-	75,824	140	658,616	9,796,423
Fund balances - ending	\$ 55,955	\$ 3,183,555	\$ 16,333	\$ 108,314	\$ 76,799	\$ 155	\$ 775,188	\$ 13,687,018

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Schedule of Net Position, MPWA Accounts – June 30, 2024

	Enterprise Fund - MPWA			
	McAlester Public Works Authority Operating Account	Landfill Reserve Account	MPWA-DWSRF Projects Account	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 694,617	\$ 4,983,790	\$ 4,149	\$ 5,682,556
Restricted cash and cash equivalents	579,082	-	-	579,082
Investments	167,786	-	-	167,786
Accounts receivable, net of allowance	1,820,867	32,633	-	1,853,500
Total current assets	3,262,352	5,016,423	4,149	8,282,924
Non-current assets:				
Investment in joint venture	2,252,522	-	-	2,252,522
Capital Assets:				
Land and improvements	21,332,884	-	-	21,332,884
Other capital assets, net of depreciation	25,514,471	-	-	25,514,471
Total non-current assets	49,099,877	-	-	49,099,877
Total assets	52,362,229	5,016,423	4,149	57,382,801
DEFERRED OUTFLOW OF RESOURCES				
Deferred amounts related to pensions	377,260	-	-	377,260
LIABILITIES				
Current Liabilities:				
Accounts payable	860,453	12,878	970,886	1,844,217
Accrued payroll liabilities	69,074	-	-	69,074
Due to other funds	64,759	-	-	64,759
Due to other governments	4,733	-	-	4,733
Accrued interest payable	89,789	-	-	89,789
Unearned revenue	96,280	-	-	96,280
Due to depositors	115,816	-	-	115,816
Notes payable	1,206,317	-	-	1,206,317
Accrued compensated absences	27,555	-	-	27,555
Total current liabilities	2,534,776	12,878	970,886	3,518,540
Non-current liabilities:				
Landfill closure and postclosure liability	5,501,951	-	-	5,501,951
Due to depositors	463,266	-	-	463,266
Notes payable	15,659,963	-	-	15,659,963
Accrued compensated absences	247,997	-	-	247,997
Net pension liability	878,959	-	-	878,959
Total non-current liabilities	22,752,136	-	-	22,752,136
Total liabilities	25,286,912	12,878	970,886	26,270,676
DEFERRED INFLOW OF RESOURCES				
Deferred amounts related to pensions	14,048	-	-	14,048
NET POSITION				
Net investment in capital assets	29,981,075	-	-	29,981,075
Unrestricted (deficit)	(2,542,546)	5,003,545	(966,737)	1,494,262
Total net position	\$ 27,438,529	\$ 5,003,545	\$ (966,737)	\$ 31,475,337

CITY OF MCALESTER, OKLAHOMA
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Combining Schedule of Revenues, Expenses, and Changes in Net Position, MPWA Accounts – Year Ended June 30, 2024

	Enterprise Fund - MPWA			
	McAlester Public Works Authority Operating Account	Landfill Reserve Account	MPWA-DWSRF Projects Account	Total
OPERATING REVENUES				
Charges for services:				
Water	\$ 3,584,709	\$ -	\$ -	\$ 3,584,709
Sewer	2,579,965	-	-	2,579,965
Sanitation	3,225,445	-	-	3,225,445
Water taps	44,676	-	-	44,676
Sewer taps	8,560	-	-	8,560
Water districts	2,181,580	-	-	2,181,580
Landfill	1,609	-	-	1,609
Penalties	302,142	6,855	-	308,997
Recycle fees	38,217	-	-	38,217
Subtitle "D" fees	-	396,388	-	396,388
Total operating revenues	11,966,903	403,243	-	12,370,146
OPERATING EXPENSES				
Utility office	583,885	-	-	583,885
Interdepartmental	1,022,767	-	-	1,022,767
Sanitation	2,438,565	-	-	2,438,565
Engineering	282,225	-	-	282,225
Sewer	1,113,540	-	-	1,113,540
Water	2,245,277	-	-	2,245,277
Utility maintenance	1,698,311	-	-	1,698,311
Landfill	272,762	45,533	-	318,295
Depreciation	1,900,178	-	-	1,900,178
Total Operating Expenses	11,557,510	45,533	-	11,603,043
Operating income	409,393	357,710	-	767,103
NON-OPERATING REVENUES (EXPENSES)				
Interest and investment revenue	32,733	144,469	-	177,202
Interest expense	(297,646)	-	-	(297,646)
Miscellaneous revenue	261,562	-	-	261,562
Operating grant revenue	44,427	-	-	44,427
Gain on sale of assets	3,262	-	-	3,262
Gain (loss) on joint venture	109,676	-	-	109,676
Total non-operating revenue (expenses)	154,014	144,469	-	298,483
Income before contributions and transfers	563,407	502,179	-	1,065,586
Capital contributions	1,097,883	-	-	1,097,883
Transfers in	1,496,164	-	-	1,496,164
Transfers out	(2,203,298)	-	-	(2,203,298)
Interaccount transfers	619,753	(19,440)	(600,313)	-
Change in net position	1,573,909	482,739	(600,313)	1,456,335
Total net position - beginning	25,864,620	4,520,806	(366,424)	30,019,002
Total net position - ending	\$ 27,438,529	\$ 5,003,545	\$ (966,737)	\$ 31,475,337

CITY OF MCALESTER, OKLAHOMA
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Combining Schedule of Net Position, MAA Accounts – June 30, 2024

	McAlester Airport Authority		
	McAlester Airport Authority Operating Account	Airport Grant Account	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 380,789	\$ 17,616	\$ 398,405
Accounts receivable, net of allowance	8,407	-	8,407
Due from other governments	-	190,662	190,662
Total current assets	<u>389,196</u>	<u>208,278</u>	<u>597,474</u>
Non-current assets:			
Capital Assets:			
Land and improvements	1,728,931	-	1,728,931
Other capital assets, net of depreciation	6,162,080	-	6,162,080
Total non-current assets	<u>7,891,011</u>	<u>-</u>	<u>7,891,011</u>
Total assets	<u>8,280,207</u>	<u>208,278</u>	<u>8,488,485</u>
DEFERRED OUTFLOW OF RESOURCES			
Deferred amounts related to pensions	<u>17,336</u>	<u>-</u>	<u>17,336</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	36,819	284,472	321,291
Accrued payroll liabilities	4,718	-	4,718
Accrued compensated absences	858	-	858
Total current liabilities	<u>42,395</u>	<u>284,472</u>	<u>326,867</u>
Non-current liabilities:			
Accrued compensated absences	7,719	-	7,719
Net pension liability	43,331	-	43,331
Total non-current liabilities	<u>51,050</u>	<u>-</u>	<u>51,050</u>
Total liabilities	<u>93,445</u>	<u>284,472</u>	<u>377,917</u>
DEFERRED INFLOW OF RESOURCES			
Deferred amounts related to pensions	<u>693</u>	<u>-</u>	<u>693</u>
NET POSITION			
Net investment in capital assets	7,891,011	-	7,891,011
Unrestricted (deficit)	312,394	(76,194)	236,200
Total net position	<u>\$ 8,203,405</u>	<u>\$ (76,194)</u>	<u>\$ 8,127,211</u>

CITY OF MCALESTER, OKLAHOMA
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Combining Schedule of Revenues, Expenses, and Changes in Net Position, MAA Accounts – Year Ended June 30, 2024

	McAlester Airport Authority		
	McAlester Airport Authority Operating Account	Airport Grant Account	Total
OPERATING REVENUES			
Charges for services:			
Rents and fees	\$ 97,721	\$ -	\$ 97,721
Aviation fuel sales	413,464	-	413,464
Total operating revenues	511,185	-	511,185
OPERATING EXPENSES			
Airport	666,525	-	666,525
Depreciation	310,296	-	310,296
Total Operating Expenses	976,821	-	976,821
Operating income (loss)	(465,636)	-	(465,636)
NON-OPERATING REVENUES (EXPENSES)			
Miscellaneous revenue	492	-	492
Total non-operating revenue (expenses)	492	-	492
Income (loss) before contributions and transfers	(465,144)	-	(465,144)
Capital contributions	212,255	1,151,064	1,363,319
Transfers in	287,450	-	287,450
Interaccount transfers	1,358,066	(1,358,066)	-
Change in net position	1,392,627	(207,002)	1,185,625
Total net position - beginning	6,810,778	130,808	6,941,586
Total net position - ending	\$ 8,203,405	\$ (76,194)	\$ 8,127,211

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
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Combining Statement of Net Position, Internal Service Funds – June 30, 2024

	Internal Service Funds		
	Worker's Compensation Fund	FLEET Maintenance Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 43,458	\$ 23,740	\$ 67,198
Due from other funds	942,925	-	942,925
Total assets	<u>986,383</u>	<u>23,740</u>	<u>1,010,123</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	1,020	4,034	5,054
Accrued payroll liabilities	-	7,591	7,591
Estimated liability for claims	98,536	-	98,536
Compensated absences	-	1,212	1,212
Total current liabilities	<u>99,556</u>	<u>12,837</u>	<u>112,393</u>
Non-current liabilities:			
Estimated liability for claims	886,827	-	886,827
Compensated absences	-	10,903	10,903
Total non-current liabilities	<u>886,827</u>	<u>10,903</u>	<u>897,730</u>
Total liabilities	<u>986,383</u>	<u>23,740</u>	<u>1,010,123</u>
NET POSITION			
Unrestricted	-	-	-
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position, Internal Service Funds – Year Ended June 30, 2024

	Internal Service Funds		
	Worker's Compensation Fund	FLEET Maintenance Fund	Total
OPERATING REVENUES			
Self insurance charges	\$ 390,291	\$ 598,206	\$ 988,497
Miscellaneous	31,161	461	31,622
Total operating revenues	<u>421,452</u>	<u>598,667</u>	<u>1,020,119</u>
OPERATING EXPENSES			
FLEET maintenance expense	-	598,667	598,667
Claims expense	421,452	-	421,452
Total operating expenses	<u>421,452</u>	<u>598,667</u>	<u>1,020,119</u>
Operating income	-	-	-
Total net position - beginning	-	-	-
Total net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Combining Statement of Cash Flows, Internal Service Funds – Year Ended June 30, 2024

	Internal Service Funds		
	Worker's Compensation Fund	FLEET Maintenance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers	\$ (514,475)	\$ (272,738)	\$ (787,213)
Payments to employees	-	(370,198)	(370,198)
Other receipts	538,951	598,667	1,137,618
Net Cash Provided by (Used in) Operating Activities	24,476	(44,269)	(19,793)
Net Increase (Decrease) in Cash and Cash Equivalents	24,476	(44,269)	(19,793)
Balances - beginning of the year	18,982	68,009	86,991
Balances - end of the year	<u>\$ 43,458</u>	<u>\$ 23,740</u>	<u>\$ 67,198</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ -	\$ -	\$ -
Change in assets and liabilities:			
Due from other funds	117,499	-	117,499
Accounts payables	1,020	(7,741)	(6,721)
Accrued payroll liabilities	-	685	685
Claims liability	(94,043)	-	(94,043)
Accrued compensated absences	-	(37,213)	(37,213)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 24,476</u>	<u>\$ (44,269)</u>	<u>\$ (19,793)</u>

CITY OF MCALESTER, OKLAHOMA
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As of and for the Year Ended June 30, 2024

Budgetary Comparison Schedules – Major Debt Service Governmental Funds – Year Ended June 30, 2024

DEBT SERVICE - DEDICATED SALES TAX-MPWA (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 667,399	\$ 667,399
Resources (Inflows):				
Taxes	4,947,064	4,822,064	4,622,801	(199,263)
Investment income	5,000	25,474	25,475	1
Amounts available for appropriation	<u>4,952,064</u>	<u>4,847,538</u>	<u>5,315,675</u>	<u>468,137</u>
Charges to appropriations (outflows):				
Administration	5,000	5,000	4,500	500
Transfers out	<u>4,739,806</u>	<u>4,614,806</u>	<u>4,545,391</u>	<u>69,415</u>
Total Charges to Appropriations	<u>4,744,806</u>	<u>4,619,806</u>	<u>4,549,891</u>	<u>69,915</u>
Ending Budgetary Fund Balance	<u>\$ 207,258</u>	<u>\$ 227,732</u>	<u>\$ 765,784</u>	<u>\$ 538,052</u>

DEBT SERVICE - BOND TRUSTEE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 6,051,867	\$ 6,051,867
Resources (Inflows):				
Investment income	-	260,219	260,218	(1)
Transfers in	<u>4,739,806</u>	<u>4,739,806</u>	<u>4,545,391</u>	<u>(194,415)</u>
Amounts available for appropriation	<u>4,739,806</u>	<u>5,000,025</u>	<u>10,857,476</u>	<u>5,857,451</u>
Charges to appropriations (outflows):				
Finance	<u>4,739,806</u>	<u>4,739,806</u>	<u>4,735,800</u>	<u>4,006</u>
Total Charges to Appropriations	<u>4,739,806</u>	<u>4,739,806</u>	<u>4,735,800</u>	<u>4,006</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 260,219</u>	<u>\$ 6,121,676</u>	<u>\$ 5,861,457</u>

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SPECIAL REVENUE - JUVENILE FINE FUND (Budgetary Basis)

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	14,648	14,648	3,794	(10,854)
Transfers in	-	-	7,074	7,074
Amounts available for appropriation	<u>14,648</u>	<u>14,648</u>	<u>10,868</u>	<u>(3,780)</u>
Charges to appropriations (outflows):				
Public safety	<u>14,648</u>	<u>14,648</u>	<u>10,868</u>	<u>3,780</u>
Total Charges to Appropriations	<u>14,648</u>	<u>14,648</u>	<u>10,868</u>	<u>3,780</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE - TOURISM/SE EXPO FUND (Budgetary Basis)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Beginning Budgetary Fund Balance	\$ 253,004	\$ 256,724	\$ 1,004,605	\$ 747,881
Resources (Inflows):				
Taxes	753,040	753,040	717,876	(35,164)
Charges for services	4,000	2,572	1,887	(685)
Miscellaneous	-	-	8	8
Amounts available for appropriation	<u>1,010,044</u>	<u>1,012,336</u>	<u>1,724,376</u>	<u>712,040</u>
Charges to appropriations (outflows):				
Administrative services	<u>1,010,044</u>	<u>1,012,336</u>	<u>362,931</u>	<u>649,405</u>
Total Charges to Appropriations	<u>1,010,044</u>	<u>1,012,336</u>	<u>362,931</u>	<u>649,405</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,361,445</u>	<u>\$ 1,361,445</u>

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SPECIAL REVENUE - E-911 FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ (2,215)	\$ (2,215)
Resources (Inflows):				
Taxes	614,472	700,992	613,786	(87,206)
Intergovernmental	-	53,399	53,399	-
Investment income	1,000	1,951	1,951	-
Miscellaneous	-	320	320	-
Transfers in	225,556	215,556	215,556	-
Amounts available for appropriation	<u>841,028</u>	<u>972,218</u>	<u>882,797</u>	<u>(89,421)</u>
Charges to appropriations (outflows):				
Public safety	<u>841,028</u>	<u>832,515</u>	<u>697,237</u>	<u>135,278</u>
Total Charges to Appropriations	<u>841,028</u>	<u>832,515</u>	<u>697,237</u>	<u>135,278</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 139,703</u>	<u>\$ 185,560</u>	<u>\$ 45,857</u>

SPECIAL REVENUE - GIFTS & CONTRIBUTIONS FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ 461,464	\$ 745,619	\$ 284,155
Resources (Inflows):				
Miscellaneous	-	291,760	291,759	(1)
Amounts available for appropriation	<u>-</u>	<u>753,224</u>	<u>1,037,378</u>	<u>284,154</u>
Charges to appropriations (outflows):				
Administration	<u>-</u>	<u>753,224</u>	<u>747,823</u>	<u>5,401</u>
Total Charges to Appropriations	<u>-</u>	<u>753,224</u>	<u>747,823</u>	<u>5,401</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 289,555</u>	<u>\$ 289,555</u>

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SPECIAL REVENUE - STORMWATER FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 100,000	\$ 100,000	\$ 2,138,827	\$ 2,038,827
Resources (Inflows):				
Charges for services	1,245,036	1,245,036	1,234,279	(10,757)
Amounts available for appropriation	<u>1,345,036</u>	<u>1,345,036</u>	<u>3,373,106</u>	<u>2,028,070</u>
Charges to appropriations (outflows):				
Stormwater	<u>1,345,036</u>	<u>1,345,036</u>	<u>452,439</u>	<u>892,597</u>
Total Charges to Appropriations	<u>1,345,036</u>	<u>1,345,036</u>	<u>452,439</u>	<u>892,597</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,920,667</u>	<u>\$ 2,920,667</u>

SPECIAL REVENUE - ECONOMIC DEVELOPMENT FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 313,212	\$ 313,212	\$ 795,266	\$ 482,054
Resources (Inflows):				
Intergovernmental	2,940,000	2,940,000	1,036,398	(1,903,602)
Charges for services	1,200	1,200	1,200	-
Investment income	15,000	28,729	31,725	2,996
Miscellaneous	-	109,348	109,350	2
Transfers in	200,553	125,553	115,553	(10,000)
Amounts available for appropriation	<u>3,469,965</u>	<u>3,518,042</u>	<u>2,089,492</u>	<u>(1,428,550)</u>
Charges to appropriations (outflows):				
Finance	30,890	46,745	46,745	-
Planning and community development	3,439,075	3,344,830	497,667	2,847,163
Transfers out	-	3,390	3,390	-
Total Charges to Appropriations	<u>3,469,965</u>	<u>3,394,965</u>	<u>547,802</u>	<u>2,847,163</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 123,077</u>	<u>\$ 1,541,690</u>	<u>\$ 1,418,613</u>

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SPECIAL REVENUE-MRHC-CANCER CENTER FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	618,383	602,758	577,850	(24,908)
Amounts available for appropriation	<u>618,383</u>	<u>602,758</u>	<u>577,850</u>	<u>(24,908)</u>
Charges to appropriations (outflows):				
Payment to Cancer Center	<u>618,383</u>	<u>602,758</u>	<u>577,850</u>	<u>24,908</u>
Total Charges to Appropriations	<u>618,383</u>	<u>602,758</u>	<u>577,850</u>	<u>24,908</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SPECIAL REVENUE -CHILD ABUSE RESPONSE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 40	\$ 40
Resources (Inflows):				
Charges for services	5,000	30,000	26,679	(3,321)
Investment income	-	200	72	(128)
Amounts available for appropriation	<u>5,000</u>	<u>30,200</u>	<u>26,791</u>	<u>(3,409)</u>
Charges to appropriations (outflows):				
Administration	<u>5,000</u>	<u>30,000</u>	<u>26,751</u>	<u>3,249</u>
Total Charges to Appropriations	<u>5,000</u>	<u>30,000</u>	<u>26,751</u>	<u>3,249</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 200</u>	<u>\$ 40</u>	<u>\$ (160)</u>

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CAPITAL PROJECT - POLICE GRANT FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 4,364	\$ 4,364
Resources (Inflows):				
Intergovernmental	-	19,370	10,284	(9,086)
Transfers in	-	-	15,007	15,007
Amounts available for appropriation	-	19,370	29,655	10,285
Charges to appropriations (outflows):				
Public safety	-	19,370	29,655	(10,285)
Total Charges to Appropriations	-	19,370	29,655	(10,285)
Ending Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -

CAPITAL PROJECT - STATE FORFEITURE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 10,371	\$ 10,371
Resources (Inflows):				
Intergovernmental	-	942	1,217	275
Investment income	-	147	347	200
Amounts available for appropriation	-	1,089	11,935	10,846
Charges to appropriations (outflows):				
Public safety	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ 1,089	\$ 11,935	\$ 10,846

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CAPITAL PROJECT - CEMETERY PERPETUAL CARE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 433,186	\$ 433,186
Resources (Inflows):				
Charges for services	5,000	5,100	4,041	(1,059)
Investment income	3,000	13,432	13,432	-
Amounts available for appropriation	<u>8,000</u>	<u>18,532</u>	<u>450,659</u>	<u>432,127</u>
Charges to appropriations (outflows):				
Community services	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total Charges to Appropriations	<u>8,000</u>	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 10,532</u>	<u>\$ 450,659</u>	<u>\$ 440,127</u>

CAPITAL PROJECT - CDBG GRANTS FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ (62,211)	\$ (62,211)
Resources (Inflows):				
Intergovernmental	328,333	328,333	82,712	(245,621)
Transfers in	-	-	42,391	42,391
Amounts available for appropriation	<u>328,333</u>	<u>328,333</u>	<u>62,892</u>	<u>(265,441)</u>
Charges to appropriations (outflows):				
Engineering	<u>328,333</u>	<u>328,333</u>	<u>62,892</u>	<u>265,441</u>
Total Charges to Appropriations	<u>328,333</u>	<u>328,333</u>	<u>62,892</u>	<u>265,441</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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CAPITAL PROJECT - FEDERAL FORFEITURE FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 450	\$ 450
Resources (Inflows):				
Investment income	-	-	14	14
Amounts available for appropriation	-	-	464	464
Charges to appropriations (outflows):				
Public safety	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 464	\$ 464

CAPITAL PROJECT - FIRE IMPROVEMENT GRANT FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 260	\$ 260
Resources (Inflows):				
Intergovernmental	-	-	-	-
Amounts available for appropriation	-	-	260	260
Charges to appropriations (outflows):				
Public safety	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 260	\$ 260

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CAPITAL PROJECT - CAPITAL IMPROVEMENT PLAN FUND (Budgetary Basis)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance	\$ 200,000	\$ 645,000	\$ 2,007,094	\$ 1,362,094
Resources (Inflows):				
Intergovernmental	547,619	554,387	29,375	(525,012)
Charges for services	279,904	311,714	302,142	(9,572)
Miscellaneous	84,000	272,167	263,646	(8,521)
Transfers in	633,659	2,833,659	2,836,921	3,262
Amounts available for appropriation	<u>1,745,182</u>	<u>4,616,927</u>	<u>5,439,178</u>	<u>822,251</u>
Charges to appropriations (outflows):				
City manager	100,000	68,595	53,664	14,931
Patrol	22,076	92,867	92,866	1
Fire	203,904	371,256	371,256	-
Parks	65,000	114,783	40,550	74,233
Facility Maintenance	150,000	150,000	146,592	3,408
Planning & Comm Dev	360,000	698,039	498,667	199,372
Fleet Maintenance	161,033	161,033	158,560	2,473
Safety/Traffic Control	20,000	20,000	10,525	9,475
Landfill	36,152	-	-	-
Streets	84,717	31,241	31,241	-
Water Treatment	319,364	2,447,476	333,414	2,114,062
Utility maintenance	222,936	181,967	179,997	1,970
Transfers out	-	230,354	230,354	-
Total Charges to Appropriations	<u>1,745,182</u>	<u>4,567,611</u>	<u>2,147,686</u>	<u>2,419,925</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 49,316</u>	<u>\$ 3,291,492</u>	<u>\$ 3,242,176</u>

CAPITAL PROJECT - TECHNOLOGY FUND (Budgetary Basis)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive (Negative)
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 3,972	\$ 3,972
Resources (Inflows):				
Charges for services	87,500	87,500	77,606	(9,894)
Amounts available for appropriation	<u>87,500</u>	<u>87,500</u>	<u>81,578</u>	<u>(5,922)</u>
Charges to appropriations (outflows):				
Administration	87,500	87,500	36,845	50,655
Total Charges to Appropriations	<u>87,500</u>	<u>87,500</u>	<u>36,845</u>	<u>50,655</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,733</u>	<u>\$ 44,733</u>

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CAPITAL PROJECT - INFRASTRUCTURE FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ 875,000	\$ 1,109,410	\$ 1,402,721	\$ 293,311
Resources (Inflows):				
Taxes	2,473,532	2,411,032	2,311,401	(99,631)
Intergovernmental	-	316,483	278,483	(38,000)
Charges for services	75,800	77,811	77,811	-
Investment income	29,000	73,508	73,508	-
Miscellaneous	-	6,157	44,158	38,001
Amounts available for appropriation	<u>3,453,332</u>	<u>3,994,401</u>	<u>4,188,082</u>	<u>193,681</u>
Charges to appropriations (outflows):				
City manager	103,332	93,332	-	93,332
Facility maintenance	150,000	97,500	88,402	9,098
Streets	1,050,000	1,532,950	1,068,845	464,105
Wastewater treatment	700,000	835,040	87,460	747,580
Utility maintenance	1,450,000	1,389,060	223,052	1,166,008
Total Charges to Appropriations	<u>3,453,332</u>	<u>3,947,882</u>	<u>1,467,759</u>	<u>2,480,123</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ 46,519</u>	<u>\$ 2,720,323</u>	<u>\$ 2,673,804</u>

CAPITAL PROJECT - AMERICAN RESCUE PLAN FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ 136,421	\$ 145,210	\$ 8,789
Resources (Inflows):				
Investment income	-	4,351	4,349	(2)
Amounts available for appropriation	<u>-</u>	<u>140,772</u>	<u>149,559</u>	<u>8,787</u>
Charges to appropriations (outflows):				
City manager	-	74,169	-	74,169
Wastewater treatment	-	66,603	60,413	6,190
Total Charges to Appropriations	<u>-</u>	<u>140,772</u>	<u>60,413</u>	<u>80,359</u>
Ending Budgetary Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,146</u>	<u>\$ 89,146</u>

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CAPITAL PROJECT - POLICE EQUIPMENT FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Charges for services	-	107,956	107,506	(450)
Investment income		808	808	-
Amounts available for appropriation	-	108,764	108,314	(450)
Charges to appropriations (outflows):				
Public safety	-	68,582	-	68,582
Total Charges to Appropriations	-	68,582	-	68,582
Ending Budgetary Fund Balance	\$ -	\$ 40,182	\$ 108,314	\$ 68,132

DEBT SERVICE - SALES TAX - SCHOOLS FUND (Budgetary Basis)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 270	\$ 270
Resources (Inflows):				
Taxes	618,383	602,758	577,850	(24,908)
Amounts available for appropriation	618,383	602,758	578,120	(24,638)
Charges to appropriations (outflows):				
Community services	618,383	602,758	577,850	24,908
Total Charges to Appropriations	618,383	602,758	577,850	24,908
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 270	\$ 270

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DEBT SERVICE - SINKING FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 140	\$ 140
Resources (Inflows):				
Taxes	-	-	15	15
Amounts available for appropriation	-	-	155	155
Charges to appropriations (outflows):				
Administration	-	-	-	-
Total Charges to Appropriations	-	-	-	-
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 155	\$ 155

DEBT SERVICE - OWRB DEBT SERVICE FUND (Budgetary Basis)				
	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Beginning Budgetary Fund Balance	\$ -	\$ -	\$ 507,507	\$ 507,507
Resources (Inflows):				
Taxes	1,236,766	1,205,516	1,155,700	(49,816)
Transfers in	264,234	264,234	264,235	1
Amounts available for appropriation	1,501,000	1,469,750	1,927,442	457,692
Charges to appropriations (outflows):				
Administration	-	500	500	-
Transfers out	1,501,000	1,469,250	1,304,811	164,439
Total Charges to Appropriations	1,501,000	1,469,750	1,305,311	164,439
Ending Budgetary Fund Balance	\$ -	\$ -	\$ 622,131	\$ 622,131

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Schedule of Federal Awards Expended – Year Ended June 30, 2024

CITY OF MCALESTER, OKLAHOMA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the fiscal year ended June 30, 2024

Federal/State Grantor/Pass through agency Grantor/Program Title	Federal AL Number	Grant #	Award Amount	Federal Expenditures
FEDERAL AWARDS:				
<u>U.S. DEPARTMENT OF JUSTICE:</u>				
Passed through Oklahoma District Attorney's Council: National Criminal History Improvement grant	16.554	15PBJS-23-GK-00315-NCHI	\$ 19,370	\$ 19,370
Bulletproof Vest Partnership Program	16.607	2022BUBX	\$ 5,355	\$ 1,397
Total U.S. Department of Justice			24,725	20,767
<u>U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</u>				
<u>Aging Cluster:</u>				
Passed Through to Oklahoma Department of Human Services and the Kiamechi Area Nutrition Project: Special Program for the Aging - Title III, Part C - Nutrition Services	93.045	N/A	49,370	49,370
Total U.S. Department of Health and Human Services			49,370	49,370
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT:</u>				
Passed through Oklahoma Department of Commerce: Community Development Block Grant	14.228	19167 CDBG 23	228,333	30,892
Community Development Block Grant	14.228	18116 CDBGCR 20	1,100,000	32,000
Total U.S. Department of Housing and Urban Development			1,328,333	62,892
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>				
<u>Federal Aviation Administration:</u>				
Airport Improvement Grant	20.106	AIP 3-40-0057-021-2023	439,999	260,467
Airport Improvement Grant	20.106	AIP 3-40-0057-022-2023	532,565	239,106
Total Federal Aviation Administration			972,564	499,573
<u>Highway Planning and Construction Cluster</u>				
Passed through Oklahoma Tourism and Recreation Department: Recreational Trails Program Grant	20.219	RT21-103	300,000	33,881
<u>Highway Safety Cluster:</u>				
Passed through Oklahoma Highway Safety Office: State and Community Highway Safety	20.600	PT-23-03-19-14	58,365	14,656
State and Community Highway Safety	20.600	PT-24-03-21-15	67,467	49,461
			125,832	64,117
Total U.S. Department of Transportation			1,398,396	597,571
<u>U.S. DEPARTMENT OF THE TREASURY:</u>				
American Rescue Plan Act-Traunch #1, 2, & 3	21.027	ARPA	3,126,058	60,413
Total U.S. Department of the Treasury			3,126,058	60,413
<u>U.S. DEPARTMENT OF THE INTERIOR:</u>				
Passed through Oklahoma Tourism & Recreation Department: Outdoor Recreation Acquisition, Development and Planning Grant	15.916	40-01244	325,800	17,577
Total U.S. Department of the Interior			325,800	17,577
<u>U.S. DEPARTMENT OF HOMELAND SECURITY:</u>				
Passed through Oklahoma Department of Emergency Management: Disaster Grant - Severe Winter Storms	97.036	FEMA-DR-4587	54,888	54,888
Passed through Oklahoma Department of Emergency Management: Assistance to Firefighters Equipment Grant	97.044	EMW-2021-FG-05769	253,257	19,077
Total U.S. Department of Homeland Security			308,145	73,965
TOTAL FEDERAL AWARDS			\$ 6,560,827	\$ 882,555

Notes to Schedule of Expenditures of Federal Awards

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the City of McAlester, Oklahoma (the "City") 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 Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the GAAP basis of accounting. Such expenditures are recognized following cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Indirect Cost Rate

The City has not elected to use the 10% de minimis indirect cost rate allowed under

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

Schedule of State Awards Expended – Year Ended June 30, 2024

CITY OF MCALESTER, OKLAHOMA
SCHEDULE OF EXPENDITURES OF STATE AWARDS
For the fiscal year ended June 30, 2024

State Grantor/Pass through agency Grantor/Program Title	Grant #	Award Amount	State Expenditures
STATE AWARDS:			
<u>OKLAHOMA TOBACCO SETTLEMENT ENDOWMENT TRUST:</u>			
Healthy Incentive Program Grant for Communities	N/A	191,444	3,027
Healthy Incentive Program Grant for Communities	N/A	152,900	145,896
Total Oklahoma Tobacco Settlement Endowment Trust		344,344	148,923
<u>OKLAHOMA AERONAUTICS COMMISSION:</u>			
OAC - Airport Terminal Redesign & Construction	N/A	869,880	401,492
<u>OKLAHOMA 911 MANAGEMENT AUTHORITY:</u>			
E911 Sustainability Grant	N/A	7,424	7,424
<u>OKLAHOMA DEPARTMENT OF ENVIRONMENTAL QUALITY:</u>			
ODEQ Spring Collection Event	N/A	30,000	24,401
<u>OKLAHOMA DEPARTMENT OF COMMERCE:</u>			
Progressing Rural Economic Prosperity Grant Fund	19196 PREP 23	2,940,000	215,655
<u>OKLAHOMA DEPARTMENT OF EMERGENCY MANAGEMENT:</u>			
Disaster Grant - Severe Winter Storms	FEMA-4587-DR-OK	10,461	10,461
Disaster Grant - Public Assistance	FEMA-4438-DR-OK	115	115
Total Oklahoma Department of Emergency Management		10,576	10,576
TOTAL STATE AWARDS		\$ 4,202,224	\$ 808,471

CITY OF MCALESTER, OKLAHOMA
ANNUAL FINANCIAL REPORT
As of and for the Year Ended June 30, 2024

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STATISTICAL SECTION

The **STATISTICAL SECTION** presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue sources, sales tax and property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

FINANCIAL TRENDS

CITY OF MCALESTER, OKLAHOMA
NET POSITION BY COMPONENT
Last Ten Fiscal Years
TABLE 1

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Net investment in capital assets	\$ (8,435,552)	\$ (5,145,885)	\$ 564,792	\$ 165,470	\$ (1,073,290)	\$ 2,920,919	\$ 4,106,626	\$ 6,977,884	\$ 9,693,833	\$ 6,948,770
Restricted	10,300,783	10,794,136	10,845,699	10,407,721	10,840,610	7,177,876	6,842,952	8,502,352	11,526,672	17,249,006
Unrestricted	(11,094,279)	(9,827,102)	(8,993,447)	(7,655,033)	(4,147,166)	(4,468,495)	(4,965,538)	(2,291,511)	(1,985,212)	(21,249)
Total governmental activities net position	\$ (9,229,048)	\$ (4,178,851)	\$ 2,417,044	\$ 2,918,158	\$ 5,620,154	\$ 5,630,300	\$ 5,984,040	\$ 13,188,725	\$ 19,235,293	\$ 24,176,527
Business-type activities										
Net investment in capital assets	\$ 26,970,248	\$ 26,876,679	\$ 25,937,347	\$ 26,202,550	\$ 30,985,761	\$ 30,438,867	\$ 30,552,867	\$ 34,165,637	\$ 35,323,715	\$ 37,872,086
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	(510,810)	1,164,554	(285,001)	273,822	897,864	1,491,870	2,127,459	(1,674,374)	1,636,873	1,730,462
Total business-type activities net position	\$ 26,459,438	\$ 28,041,233	\$ 25,652,346	\$ 26,476,372	\$ 31,883,625	\$ 31,930,737	\$ 32,680,326	\$ 32,491,263	\$ 36,960,588	\$ 39,602,548
Primary government										
Net investment in capital assets	\$ 18,534,696	\$ 21,730,794	\$ 26,502,139	\$ 26,368,020	\$ 29,912,471	\$ 33,359,786	\$ 34,659,493	\$ 41,143,521	\$ 45,017,548	\$ 44,820,856
Restricted	10,300,783	10,794,136	10,845,699	10,407,721	10,840,610	7,177,876	6,842,952	8,502,352	11,526,672	17,249,006
Unrestricted	(11,605,089)	(8,662,548)	(9,278,448)	(7,381,211)	(3,249,302)	(2,976,625)	(2,838,079)	(3,965,885)	(348,339)	1,709,213
Total primary government net position	\$ 17,230,390	\$ 23,862,382	\$ 28,069,390	\$ 29,394,530	\$ 37,503,779	\$ 37,561,037	\$ 38,664,366	\$ 45,679,988	\$ 56,195,881	\$ 63,779,075

CITY OF MCALESTER, OKLAHOMA
CHANGES IN NET POSITION
Last Ten Fiscal Years
TABLE 2

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
Legislature	\$ 118,144	\$ 128,178	\$ 109,580	\$ 114,976	\$ 107,346	\$ 120,592	\$ 90,348	\$ 130,266	\$ 120,326	\$ 451,562
Administration	3,016,773	3,075,900	3,713,371	3,766,344	3,528,957	4,236,927	4,218,989	3,456,077	4,288,082	5,205,105
Public safety	7,742,108	8,002,184	8,658,637	8,723,246	7,706,769	9,590,553	10,491,253	7,274,864	10,786,235	10,426,894
Community service	1,964,414	2,162,321	2,120,523	2,077,211	2,913,948	4,577,543	2,283,766	3,448,002	3,076,620	2,792,422
Administration services	1,280,079	1,164,926	1,198,426	1,230,232	1,421,431	1,194,570	1,027,855	893,890	988,217	1,031,322
Health and welfare	245,481	255,471	282,159	273,749	285,692	270,928	230,877	253,302	265,605	273,225
Public works	2,640,537	3,347,597	3,547,407	3,573,130	3,366,650	3,501,910	3,644,280	3,874,336	3,630,653	3,786,362
Economic development	237,615	557,723	372,295	426,789	395,730	356,645	331,447	1,730,319	419,436	322,221
Stormwater	-	-	900	3,479	5,255	14,017	4,049	83,449	35,068	63,747
Payment to Health Center Authority	-	-	-	-	327,225	495,860	517,679	556,343	580,115	577,850
Interest on long-term debt	2,938,799	2,504,399	2,413,692	2,291,099	2,064,810	1,955,507	1,859,089	1,761,072	1,727,686	1,556,911
Total governmental activities expenses	20,183,950	21,198,699	22,416,990	22,480,255	22,123,813	26,315,052	24,699,632	23,461,920	25,918,043	26,487,621
Business-type activities:										
Water operations	3,636,153	3,835,928	4,001,912	4,267,855	4,550,644	4,388,784	4,487,288	5,487,156	5,790,815	5,958,886
Sewer operations	1,833,574	2,016,793	2,077,471	2,201,943	2,162,221	2,156,967	2,355,274	2,590,313	2,928,912	3,338,640
Sanitation operations	2,454,195	911,299	3,617,289	2,158,235	1,975,479	2,168,727	2,570,467	2,803,055	2,909,089	2,682,661
Airport	324,411	670,726	701,992	720,170	756,885	850,188	773,495	563,419	668,599	976,821
Total business-type activities expenses	8,248,333	7,434,746	10,398,664	9,348,203	9,445,229	9,564,666	10,186,524	11,443,943	12,297,415	12,957,008
Total primary government expenses	\$ 28,432,283	\$ 28,633,445	\$ 32,815,654	\$ 31,828,458	\$ 31,569,042	\$ 35,879,718	\$ 34,886,156	\$ 34,905,863	\$ 38,215,458	\$ 39,444,629
Program Revenues										
Governmental activities:										
Legislature	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Administration	1,044,682	3,162,687	5,183,688	663,568	740,735	678,513	357,117	812,481	1,057,135	779,334
Public safety	2,894,702	2,998,352	2,614,253	2,972,190	2,956,083	4,689,135	3,104,711	2,943,910	3,787,211	3,372,064
Community service	295,130	426,315	393,039	236,638	258,336	169,884	299,716	1,359,906	773,363	486,548
Administration services	253,325	275,793	253,082	255,769	270,786	183,850	277,050	205,474	225,873	173,590
Health and welfare	60,942	61,160	55,533	87,701	97,746	86,291	86,291	53,748	52,991	49,369
Public works	173,759	168,011	160,059	161,128	165,246	157,817	162,879	217,954	430,856	316,611
Economic development	420,504	707,749	166,666	-	158,000	125,113	217,531	16,000	277,446	114,350
Stormwater	-	334,148	494,056	637,447	837,163	782,048	1,206,841	1,173,462	1,444,032	1,234,279
Total governmental activities program revenues	5,143,044	8,134,215	9,320,376	4,980,791	5,474,050	6,884,106	5,712,136	6,782,935	8,048,907	6,526,145

(Continued)

TABLE 2
(Continued)

	FISCAL YEAR									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Water operations	4,144,455	4,354,864	5,527,918	5,189,144	4,922,016	4,487,239	5,472,276	7,042,285	6,128,661	6,057,294
Sewer operations	1,718,541	1,852,998	1,777,843	1,776,866	1,670,142	1,790,558	1,747,657	1,726,963	2,340,184	2,860,362
Sanitation operations	3,055,264	3,096,508	3,027,390	3,170,381	3,104,622	3,223,758	3,236,282	3,305,036	3,591,201	3,623,442
Airport	1,683,222	377,253	188,523	354,275	4,745,835	109,803	138,614	289,819	350,007	1,782,271
Total business-type activities program revenues	10,601,482	9,681,623	10,521,674	10,490,666	14,442,615	9,611,358	10,594,829	12,364,103	12,410,053	14,323,369
Total primary government program revenues	\$ 15,744,526	\$ 17,815,838	\$ 19,842,050	\$ 15,471,457	\$ 19,916,665	\$ 16,495,464	\$ 16,306,965	\$ 19,147,038	\$ 20,458,960	\$ 20,849,514
Net (Expense)/Revenue										
Governmental activities:	\$ (15,040,906)	\$ (13,064,484)	\$ (13,096,614)	\$ (17,499,464)	\$ (16,649,763)	\$ (19,430,946)	\$ (18,987,496)	\$ (16,678,985)	\$ (17,869,136)	\$ (19,961,476)
Business-type activities:	2,353,149	2,246,877	123,010	1,142,463	4,997,386	46,692	408,305	920,160	112,638	1,366,361
Total primary government net expense	\$ (12,687,757)	\$ (10,817,607)	\$ (12,973,604)	\$ (16,357,001)	\$ (11,652,377)	\$ (19,384,254)	\$ (18,579,191)	\$ (15,758,825)	\$ (17,756,498)	\$ (18,595,115)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes:										
Sales and use taxes	\$ 14,416,789	\$ 14,601,333	\$ 14,689,957	\$ 14,800,284	\$ 16,658,759	\$ 16,651,644	\$ 17,272,107	\$ 19,271,697	\$ 20,776,425	\$ 20,631,821
Franchise and public service taxes	577,352	552,316	544,954	603,833	677,819	600,048	555,910	640,817	724,607	645,052
Hotel/motel taxes	652,340	759,410	655,558	722,313	868,071	591,456	562,980	702,077	760,977	721,677
E-911 taxes	600,114	584,718	576,406	652,139	541,612	627,716	569,822	514,009	533,600	630,867
Property taxes	-	-	-	-	-	863	1,302	422	26	15
Sales tax increment	-	-	-	-	-	-	-	122,067	1,269,422	1,494,121
Intergovernmental revenue not restricted to specific programs	301,603	302,608	305,518	308,791	320,528	370,222	395,673	629,804	3,138,656	426,478
Investment income	64,026	71,856	118,910	288,517	295,970	206,780	43,339	54,398	549,181	774,505
Miscellaneous	341,415	446,824	211,918	188,983	265,710	246,999	228,630	842,216	225,728	414,517
Transfers-Internal activity	1,075,317	795,616	2,589,288	435,718	(276,710)	145,364	(288,527)	1,186,063	(4,062,918)	(836,343)
Total governmental activities	18,028,956	18,114,681	19,692,509	18,000,578	19,351,759	19,441,092	19,341,236	23,963,570	23,915,704	24,902,710
Business-type activities:										
Investment income	12,432	13,601	27,181	54,059	61,518	50,164	21,732	18,878	123,929	177,202
Miscellaneous	33,436	116,933	50,210	63,222	71,639	95,620	31,025	57,962	169,840	262,054
Transfers - Internal activity	(1,075,317)	(795,616)	(2,589,288)	(435,718)	276,710	(145,364)	288,527	(1,186,063)	4,062,918	836,343
Total business-type activities	(1,029,449)	(665,082)	(2,511,897)	(318,437)	409,867	420	341,284	(1,109,223)	4,356,687	1,275,599
Total primary government	\$ 16,999,507	\$ 17,449,599	\$ 17,180,612	\$ 17,682,141	\$ 19,761,626	\$ 19,441,512	\$ 19,682,520	\$ 22,854,347	\$ 28,272,391	\$ 26,178,309
Change in Net Position										
Governmental activities	\$ 2,988,050	\$ 5,050,197	\$ 6,595,895	\$ 501,114	\$ 2,701,996	\$ 10,146	\$ 353,740	\$ 7,284,585	\$ 6,046,568	\$ 4,941,234
Business-type activities	1,323,700	1,581,795	(2,388,887)	824,026	5,407,253	47,112	749,589	(189,063)	4,469,325	2,641,960
Total primary government	\$ 4,311,750	\$ 6,631,992	\$ 4,207,008	\$ 1,325,140	\$ 8,109,249	\$ 57,258	\$ 1,103,329	\$ 7,095,522	\$ 10,515,893	\$ 7,583,194

CITY OF MCALESTER, OKLAHOMA
FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years
TABLE 3

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-	-	-	-	-	-
Nonspendable	2,053	2,520	2,487	2,426	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	41,881	52,235	48,954	25,093	7,686	68,541	431,046	170,863	1,204,650	869,726
Unassigned	<u>2,122,942</u>	<u>882,840</u>	<u>683,387</u>	<u>660,590</u>	<u>814,347</u>	<u>2,156,517</u>	<u>1,332,693</u>	<u>2,611,170</u>	<u>243,496</u>	<u>758,998</u>
Total General Fund	<u>\$ 2,166,876</u>	<u>\$ 937,595</u>	<u>\$ 734,828</u>	<u>\$ 688,109</u>	<u>\$ 822,033</u>	<u>\$ 2,225,058</u>	<u>\$ 1,763,739</u>	<u>\$ 2,782,033</u>	<u>\$ 1,448,146</u>	<u>\$ 1,628,724</u>
All Other Governmental Funds										
Reserved for:										
Encumbrances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	-	-	-	-	-	-	-	-	-	-
Restricted	24,305,808	18,544,395	18,110,700	17,799,126	16,800,962	13,103,973	12,771,216	14,450,926	17,108,864	17,823,931
Assigned	3,761,458	3,552,621	3,380,159	3,106,717	3,086,805	2,622,832	4,178,377	3,394,078	4,053,748	5,244,920
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(231,937)</u>	<u>(62,211)</u>	<u>-</u>
Total all other governmental funds	<u>\$ 28,067,266</u>	<u>\$ 22,097,016</u>	<u>\$ 21,490,859</u>	<u>\$ 20,905,843</u>	<u>\$ 19,887,767</u>	<u>\$ 15,726,805</u>	<u>\$ 16,949,593</u>	<u>\$ 17,613,067</u>	<u>\$ 21,100,401</u>	<u>\$ 23,068,851</u>
GRAND TOTAL	<u>\$ 30,234,142</u>	<u>\$ 23,034,611</u>	<u>\$ 22,225,687</u>	<u>\$ 21,593,952</u>	<u>\$ 20,709,800</u>	<u>\$ 17,951,863</u>	<u>\$ 18,713,332</u>	<u>\$ 20,395,100</u>	<u>\$ 22,548,547</u>	<u>\$ 24,697,575</u>

CITY OF MCALESTER, OKLAHOMA
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 Last Ten Fiscal Years
TABLE 4

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Revenues										
Sales and use taxes	\$ 14,416,789	\$ 14,601,333	\$ 14,689,957	\$ 14,800,284	\$ 16,658,759	\$ 16,651,644	\$ 17,272,107	\$ 19,271,697	\$ 20,776,425	\$ 20,631,821
Franchise and public service taxes	577,352	552,316	544,954	603,833	677,819	600,048	555,910	640,817	724,607	645,052
E-911 taxes	600,114	584,718	576,406	652,139	541,612	627,716	528,074	555,757	533,600	630,867
Hotel/motel taxes	652,340	759,410	655,558	722,313	868,071	591,456	562,980	702,077	760,977	721,677
Property taxes	-	-	-	-	-	863	1,302	422	26	15
Sales tax increment	-	-	-	-	-	-	-	122,067	1,269,422	1,494,121
Intergovernmental	2,234,251	2,246,760	3,186,856	2,146,002	2,171,746	3,495,564	2,112,261	3,083,637	5,902,405	3,032,091
Charges for services	2,414,327	2,426,459	2,564,778	2,670,365	2,515,456	2,344,706	2,757,351	3,143,564	3,671,252	3,460,621
Fines and forfeitures	899,885	895,397	807,538	733,907	674,705	623,606	565,820	694,790	611,759	596,608
Licenses and permits	102,207	128,069	87,507	80,810	96,088	89,906	177,206	149,661	155,638	128,445
Investment income	64,026	71,856	118,910	288,517	295,970	206,780	43,339	54,398	549,181	774,505
Miscellaneous	381,449	1,052,725	489,979	241,348	474,063	550,700	419,448	1,492,902	1,048,697	905,426
Total Revenues	22,342,740	23,319,043	23,722,443	22,939,518	24,974,289	25,782,989	24,995,798	29,911,789	36,003,989	33,021,249
Expenditures:										
Legislature	118,144	128,178	109,580	114,976	107,346	120,592	89,311	130,266	106,100	451,562
Administration	2,693,127	2,941,113	3,169,857	3,076,689	3,113,548	3,398,085	3,275,111	3,530,899	4,665,192	5,196,568
Public safety	8,042,126	8,424,576	8,495,607	8,670,354	8,817,054	9,158,995	8,531,329	9,044,774	10,824,059	10,150,488
Community services	1,725,163	1,857,977	1,695,062	1,617,674	2,437,507	4,096,764	1,738,186	2,940,125	2,589,492	2,298,813
Administration services	1,301,925	1,183,280	1,178,194	1,204,963	1,398,863	1,208,240	1,011,237	899,867	968,208	1,033,102
Health and welfare	255,044	261,585	279,695	269,875	284,427	264,565	232,965	273,238	290,069	286,976
Public works	1,029,679	941,827	1,124,038	1,057,453	946,927	895,955	882,920	1,280,211	1,097,935	1,249,746
Economic Development	237,615	562,710	375,014	427,278	395,556	352,093	305,118	1,727,690	454,107	330,264
Payment to McAlester Regional Health Center Authority	-	-	-	-	327,225	495,860	517,679	556,343	580,115	577,850
Capital outlay	7,725,006	9,724,557	5,241,133	2,650,404	3,440,082	5,699,104	5,169,650	6,177,385	7,891,152	4,672,644
Debt service:										
Principal retirement	3,754,875	3,702,267	4,007,685	4,343,371	4,884,159	3,342,080	3,427,123	3,712,871	3,904,458	4,141,824
Interest and fiscal charges	2,267,239	2,077,268	1,901,274	1,758,982	1,574,049	1,419,385	1,300,377	1,172,640	1,038,080	902,068
Total Expenditures	29,149,943	31,805,338	27,577,139	25,192,019	27,726,743	30,451,718	26,481,006	31,446,309	34,408,967	31,291,905
Excess of revenues over(under) expenditures	(6,807,203)	(8,486,295)	(3,854,696)	(2,252,501)	(2,752,454)	(4,668,729)	(1,485,208)	(1,534,520)	1,595,022	1,729,344
Other financing sources(uses) and special item:										
Transfers in	9,926,637	9,417,913	9,840,603	8,981,245	8,160,735	7,966,315	9,910,110	9,479,196	9,122,773	9,344,270
Issuance of long-term debt	658,805	12,752,951	238,734	-	126,734	329,843	434,738	145,722	-	-
Bond issue costs	-	(363,725)	-	-	-	-	-	-	-	-
Proceeds from sales of capital assets	-	-	-	-	-	-	-	-	-	-
Payment to escrow-refunding	-	(12,581,463)	-	-	-	-	-	-	-	-
Transfers out	(8,215,227)	(7,938,912)	(7,033,565)	(7,360,479)	(6,419,167)	(6,385,366)	(8,098,171)	(6,328,730)	(8,564,348)	(8,924,586)
Total other financing sources(uses) and special item	2,370,215	1,286,764	3,045,772	1,620,766	1,868,302	1,910,792	2,246,677	3,296,188	558,425	419,684
Net change in fund balances	\$ (4,436,988)	\$ (7,199,531)	\$ (808,924)	\$ (631,735)	\$ (884,152)	\$ (2,757,937)	\$ 761,469	\$ 1,761,668	\$ 2,153,447	\$ 2,149,028
Debt service as a percentage of noncapital expenditures										
	28.1%	26.2%	26.5%	26.4%	26.3%	18.9%	21.8%	19.0%	18.3%	18.7%

REVENUE CAPACITY

CITY OF MCALESTER, OKLAHOMA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
Last Ten Fiscal Years
TABLE 5

<u>Fiscal Year</u>	<u>Sales Tax</u>	<u>Use Tax</u>	<u>Franchise Tax</u>	<u>Hotel/ Motel Tax</u>	<u>E-911 Tax</u>	<u>Property Tax</u>	<u>Sales Tax Increment</u>	<u>Totals</u>
2015	13,775,363	641,426	577,352	652,340	600,114	-	-	16,246,595
2016	13,842,667	758,666	552,316	759,410	584,718	-	-	16,497,777
2017	13,256,719	1,433,238	544,954	655,558	576,406	-	-	16,466,875
2018	13,691,840	1,108,444	603,833	722,313	652,139	-	-	16,778,569
2019	15,394,077	1,264,682	677,819	868,071	541,612	-	-	18,746,261
2020	14,910,051	1,741,593	600,048	591,456	627,716	863	-	18,471,727
2021	15,521,577	1,750,530	555,910	562,980	569,822	1,302	-	18,962,121
2022	17,272,307	1,999,390	640,817	702,077	514,009	422	122,067	21,251,089
2023	18,513,049	2,263,376	724,607	760,977	533,600	26	1,269,422	24,065,057
2024	18,522,377	2,109,444	645,052	721,677	630,867	15	1,494,121	24,123,553

CITY OF MCALESTER, OKLAHOMA
SALES TAX RATES OF DIRECT AND OVERLAPPING GOVERNMENTS
 Last Ten Fiscal Years
TABLE 6

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
City of McAlester	3.50%	3.50%	3.50%	3.50%	3.75%	3.75%	3.75%	4.00%	4.00%	4.00%
Pittsburg County	1.00%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
State of Oklahoma	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Total	9.00%	9.50%	9.50%	9.50%	9.75%	9.75%	9.75%	10.00%	10.00%	10.00%

City-Nov 2008 changed to 3.5% dropped .25% for Hospital

County - Jan 2006 .75% for remodel

County-Jan 2009 added .25% FireFighters

County-Oct 2015 decreased 0.50%

County-Jan 2016 added 1.0% for streets

City-Nov 2018 changed to 3.75% added 12.5% schools and 12.5% hospital; .25% econ dev and .25% schools replaced with .50% infrastructure.

City-Approved Nov 2021, effective April 2022 changed to 4.00%: added .25% for DWSRF project.

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

TABLE 7

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Agriculture, forestry, and fishing	\$ 2	\$ 1,538	\$ 1,413	\$ 1,079	\$ 773	\$ 497	\$ 465	\$ 456	\$ 1,143	\$ 1,888
Mining Quarrying, and Oil and Gas Extraction	5,878	4,360	(1,378)	2,203	73,189	49,315	26,694	18,014	8,561	4,426
Utilities	800,800	775,938	722,816	784,018	1,031,403	953,526	809,939	1,458,840	1,632,757	1,347,841
Construction	37,205	79,462	75,693	112,475	126,480	84,652	59,783	18,748	17,179	48,451
Manufacturing	309,241	377,581	283,213	520,137	338,805	232,862	200,348	328,891	388,021	558,470
Transportation and Warehousing	17,130	9,746	7,960	9,718	16,281	19,905	25,749	27,121	49,708	85,490
Information	416,476	409,791	412,100	399,955	425,005	395,536	352,908	372,086	411,093	363,841
Wholesale trade	875,118	888,427	851,854	890,282	1,133,843	1,064,274	1,131,804	1,186,072	1,314,106	1,671,981
Retail trade	8,496,420	8,401,248	8,082,769	8,080,244	8,829,658	8,987,567	9,743,757	10,328,231	11,607,432	13,178,462
Finance, insurance,	3,574	3,065	4,422	5,901	10,505	8,129	10,980	15,068	17,664	17,641
Real Estate and Rental and Leasing	218,093	190,121	199,120	230,165	341,824	285,601	216,226	350,279	314,194	304,247
Professional, Scientific, and Technical Services	28,232	27,981	32,758	29,713	44,276	37,417	47,906	48,630	52,128	87,561
Administrative and Support and Waste Management and Remediation Services	2,720	2,302	11,473	7,384	4,536	29,705	61,015	27,732	22,415	24,599
Educational Services	115	14	7	747	1,518	3,497	5,124	2,121	1,703	1,941
Health Care and Social Assistance	2,159	828	2,014	1,283	404	6,053	12,822	3,960	3,332	12,031
Arts, Entertainment, and Recreation	59,278	50,014	47,620	48,669	49,538	45,114	33,197	33,473	34,377	25,842
Accommodation and Food Services	2,187,338	2,326,704	2,226,766	2,290,853	2,646,606	2,410,226	2,476,243	2,773,228	3,278,855	3,392,571
Other services (except Public Administration)	261,812	250,894	258,673	263,385	302,873	301,550	306,777	313,740	376,283	380,744
Public Administration	(328)	(96)	-	28	43	-	-	-	79	35
Nonclassifiable establishments	128,590	106,515	83,672	46,614	34,726	33,279	29,775	10,439	17,254	129,088
	\$ 13,849,853	\$ 13,906,433	\$ 13,302,965	\$ 13,724,853	\$ 15,412,286	\$ 14,948,705	\$ 15,551,512	\$ 17,317,129	\$ 19,548,284	\$ 21,637,150

Information obtained from the Oklahoma Tax Commission website

DEBT CAPACITY

**CITY OF MCALESTER, OKLAHOMA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
TABLE 8**

Jurisdiction	Net (1) Debt Outstanding	Percentage (2) Applicable to City of McAlester	Amount Applicable to City of McAlester
Direct - City of McAlester	\$ 32,178,243	100.00%	\$32,178,243
Overlapping: McAlester School District	\$ 1,520,000	100.00% (3)	1,520,000
Pittsburg County	\$ -	31%	-
Total	\$33,698,243		\$33,698,243

Outstanding bond debt : 06-30-24

- (1) Gross general bonded debt outstanding less debt service reserves.
- (2) Determined by ratio of assessed valuation of property subject to taxation in overlapping unit to valuation of property subject to taxation in the City of McAlester.
- (3) Only 75% of City residents would be responsible for the debt.

CITY OF MCALESTER, OKLAHOMA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
TABLE 9

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Debt limit	\$ 8,065,312	\$ 8,131,853	\$ 8,606,087	\$ 8,965,554	\$ 9,648,024	\$ 9,488,171	\$ 10,517,320	\$ 10,831,999	\$ 14,526,929	\$ 14,828,414
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 8,065,312</u>	<u>\$ 8,131,853</u>	<u>\$ 8,606,087</u>	<u>\$ 8,965,554</u>	<u>\$ 9,648,024</u>	<u>\$ 9,488,171</u>	<u>\$ 10,517,320</u>	<u>\$ 10,831,999</u>	<u>\$ 14,526,929</u>	<u>\$ 14,828,414</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2024

Net assessed valuation	\$ 148,284,135
Debt limit (10% of total assessed value)	14,828,414
Debt applicable to limit:	
General obligation bonds	-
Less: Street or utility bonds outstanding	<u>-</u>
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 14,828,414</u>

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

CITY OF MCALESTER, OKLAHOMA
UTILITY SYSTEMS DIVISION
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years
TABLE 10

		Eligible Revenues	Eligible Expenses (1)	(A) Net Revenue Available for Debt Service	(B) Average Annual Debt Service	(C) Average Annual Debt Service Excluding Cap Appr Bonds	(A) / (B) Revenue Bond Coverage	(A) / (C) Revenue Bond Coverage-Excluding Cap Appr Bonds
2015	Series 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	13,147,686	6,724,078	6,423,608	4,537,442	3,596,999	1.42	1.79
2016	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	14,753,173	5,470,231	9,282,942	5,866,670	4,891,115	1.58	1.90
2017	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	14,745,719	6,620,406	8,125,313	5,866,670	4,891,115	1.38	1.66
2018	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	15,531,372	6,969,950	8,561,422	5,924,056	4,891,115	1.45	1.75
2019	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	14,407,592	6,959,691	7,447,901	5,988,615	4,891,115	1.24	1.52
2020	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	13,790,180	6,957,044	6,833,136	6,061,782	4,891,115	1.13	1.40
2021	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 1999 CDBG Loan	15,046,692	7,291,807	7,754,885	6,145,401	4,891,115	1.26	1.59
2022	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 2021 DWSRF OWRB Loan	19,836,678	8,704,403	11,132,275	7,300,491	5,949,722	1.52	1.87
2023	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 2021 DWSRF OWRB Loan	22,433,527	9,670,589	12,762,938	7,490,730	6,027,397	1.70	2.12
2024	Series 2015, 2014, 2013,2012,2002 Utility System Revenue Bonds, 2021 DWSRF OWRB Loan	22,771,448	9,702,865	13,068,583	7,638,907	6,042,543	1.71	2.16

(1) Excludes depreciation and amortization expense.

CITY OF MCALESTER, OKLAHOMA
RATIO FOR OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years
TABLE 11

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	% of Total Debt to Personal Income	Per Capita
	Revenue Bonds Payable	Notes Payable	Capital Leases Payable	SBITA Obligations Payable	Revenue Bonds Payable	Notes Payable	Water Contract Obligations	Settlement/ Contract Obligation			
2015	60,798,769	-	626,709	-	-	332,987	147,625	565,623	62,471,713	9.42%	3,413
2016	57,945,932	-	632,393	-	-	263,441	119,591	377,081	59,338,438	7.95%	3,241
2017	54,476,132	-	733,442	-	-	1,248,086	90,830	188,539	56,737,029	7.51%	3,086
2018	50,755,339	-	535,071	-	-	1,137,305	61,324	-	52,489,039	6.94%	2,855
2019	46,544,339	-	437,646	-	-	953,229	31,054	-	47,966,268	6.01%	2,609
2020	43,876,252	-	570,410	-	-	641,848	-	-	45,088,510	5.51%	2,478
2021	41,075,892	-	883,025	-	-	1,207,654	-	-	43,166,571	5.45%	2,392
2022	38,130,592	795,876	-	-	-	3,482,776	-	-	42,409,244	5.36%	2,350
2023	35,106,278	551,418	-	178,440	-	13,204,791	-	-	49,040,927	6.23%	2,688
2024	31,866,085	312,158	-	120,876	-	16,866,280	-	-	49,165,399	5.79%	2,715

DEMOGRAPHIC AND ECONOMIC INFORMATION

CITY OF MCALESTER, OKLAHOMA
PRINCIPAL EMPLOYERS
Current and Nine Years Ago
TABLE 12

		2015		2024	
		Employees	% of Total City Employment	Employees	% of Total City Employment
McAlester Army Ammunition Plant	Ammunition	1,620	7.5%	1,830	11.7%
McAlester Regional Health Center	Health Care	762	3.5%	630	4.0%
McAlester Public Schools	Education	410	1.9%	409	2.6%
Wal Mart	Retail Sales	440	2.0%	350	2.2%
Oklahoma State Penitentiary	Corrections	300	1.4%	450	2.9%
Spirit Aerospace, Inc.	Manufacturing/Assembling	325	1.5%	-	0.0%
Big V Feeds	Retail Sales	-	0.0%	127	0.8%
City of McAlester (full time only)	Municipality	206	1.0%	231	1.5%
Eastern Oklahoma State College (full time only)	Education	330	1.5%	-	0.0%
Choctaw Casino	Gaming	160	0.7%	375	2.4%
Berry Plastics	Manufacturing	230	1.1%	200	1.3%
Lowe's	Retail Sales	-	0.0%	120	0.8%
Totals		4,783	22.3%	4,722	30.3%

*McAlester Employers, McAlester Chamber of Commerce, and Bureau of Labor and Statistics

Total Employed in McAlester	21,481	15,578
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CITY OF MCALESTER, OKLAHOMA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Calendar Years
TABLE 13

Calendar Year	Population (1)	Personal Income (in thousands)	Per Capita Personal Income (2)	Median Age of Population (3)	School Enrollment (4)	Unemployment Rate (5)
2015	18,303	663,228	36,236	39.0	3,128	5.4%
2016	18,310	746,773	40,785	37.5	3,097	6.7%
2017	18,383	755,817	41,115	37.0	3,060	6.7%
2018	18,383	797,491	43,382	36.2	3,126	6.5%
2019	18,198	817,836	44,941	37.1	2,295	4.1%
2020	18,395	790,010	42,947	35.8	3,053	7.3%
2021	18,045	791,797	43,879	36.3	2,828	5.6%
2022	18,244	787,666	43,174	35.8	3,555	4.2%
2023	18,108	812,868	44,890	35.4	3,090	4.4%
2024	18,110	848,906	46,875	36.3	2,939	5.6%

Sources:

- (1) www.factfinder2.census.gov
- (2) www.bea.gov
- (3) www.economicexpert.com
- (4) McAlester School District, District Offices
- (5) www.bls.gov

OPERATING INFORMATION

CITY OF MCALESTER, OKLAHOMA
 FULL-TIME EQUIVALENT BUDGETED CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 Last Ten Fiscal Years
 TABLE 14

Function/Program	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
General Government										
City Manager	3	3	3	3	4	4	4	4	4	4
Finance	4	4	5	5	5	5	5	5	5	5
City Clerk	2	2	2	2	2	2	2	2	2	2
Legal	2	2	3	3	3	3	3	2	3	2
Planning	5	5	5	5	5	5	5	6	6	7
Economic Development	1	1	1	1	1	1	1	1	2	2
Tourism	1	1	1	1	1	1	1	1	1	1
Human Resources	2	2	2	2	4	4	3	2	2	3
Information Services	1	1	2	2	2	2	2	2	2	2
Safety/Risk Management	0	0	0	0	0	0	0	3	3	1
Total General Government	21	21	24	24	27	27	26	28	30	29
Public Safety & Judiciary										
Police	39	39	39	39	40	40	39	40	40	39
CID (Detectives)	8	8	8	8	6	7	6	7	7	6
Animal Control	1	1	1	1	1	1	1	1	1	1
Communications	4	4	4	4	4	4	4	4	4	4
Communications E911	10	10	10	10	10	10	10	10	10	10
Fire	43	43	42	43	41	43	43	43	43	43
Total Public Safety & Judiciary	105	105	104	105	102	105	103	105	105	103
Transportation										
Central Garage	5	5	5	5	5	5	5	5	6	6
Streets	13	14	13	14	13	14	14	15	15	17
Airport	3	3	3	3	3	3	1	3	3	4
Total Transportation	21	22	21	22	21	22	20	23	24	27
Cultural, Parks, & Recreation										
Parks & Recreation	14	14	14	15	15	15	15	15	12	12
Expo	4	4	3	4	4	4	2	0	0	n/a
Nutrition	4	4	4	4	4	4	5	5	5	5
Library	0	0	0	0	0	0	0	0	0	0
Cemetery	5	5	5	5	5	5	4	3	3	3
Building Maintenance	3	3	3	3	3	3	3	2	2	2
Total Cultural, Parks, & Recreation	30	30	29	31	31	31	29	25	22	22
Utilities										
Utilities	0	0	0	0	0	0	0	0	0	0
Utility Office	8	8	8	8	8	8	7	6	6	6
Solid Waste	0	0	0	0	0	0	1	2	2	0
Landfill	2	2	1	2	1	1	1	1	1	2
Engineering	4	5	4	4	4	5	3	5	5	4
Waste Water	12	12	12	12	12	12	11	12	14	14
Water Treatment	0	0	0	0	0	0	0	0	0	4
Utility Maintenance	10	10	9	11	10	14	14	16	17	20
Total Utilities	36	37	34	37	35	40	37	42	45	50
Total Full-Time Budgeted Employees by Function/Program	213	215	212	219	216	225	215	223	226	231

CITY OF MCALESTER, OKLAHOMA
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years
TABLE 15

<u>Function/Program</u>	<u>Fiscal Year</u> <u>2015</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2017</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2019</u>	<u>Fiscal Year</u> <u>2020</u>	<u>Fiscal Year</u> <u>2021</u>	<u>Fiscal Year</u> <u>2022</u>	<u>Fiscal Year</u> <u>2023</u>	<u>Fiscal Year</u> <u>2024</u>
General Government										
Buildings	12	13	13	13	13	14	14	14	14	14
Police										
Stations	2	2	2	2	2	1	1	1	1	1
Patrol units	50	50	50	53	51	51	51	50	51	50
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Trucks	6	6	6	8	8	8	8	8	8	8
Vehicles	16	16	16	18	20	20	20	20	20	11
Streets										
Street miles	298	298	298	298	298	298	298	298	298	298
Traffic signals	23	23	23	20	20	20	20	20	13	13
Parks and recreation										
Acreage	103	103	103	135	135	135	135	150	150	150
Playgrounds	11	12	12	12	13	13	13	15	15	15
Baseball/softball diamonds	9	9	9	9	9	9	9	9	9	8
Soccer/football fields	2	2	2	2	2	2	2	2	2	2
Tennis Courts	6	6	6	6	6	6	6	5	5	5
Pickleball Courts									6	6
Community Center	1	1	1	1	1	1	1	1	1	1
Pools	3	3	3	3	3	3	3	1	1	1
Wading Pools	5	5	5	5	5	5	5	2	2	2
Arboretum (Mike Deak) 1981	1	1	1	1	1	1	1	1	1	1
Skate Park 2010	1	1	1	1	1	1	1	1	1	1
Splash Pad 2008	1	1	1	1	1	1	1	3	3	3
Dog Park 2014	1	1	1	1	1	1	1	1	1	1
Frisbee Disk Golf Course 2014	1	1	1	1	1	1	1	1	1	1
Community Garden 2013	2	2	2	2	2	1	1	1	1	1
Amphitheater (Stipe Center)	1	1	1	1	1	1	1	1	1	1
Library										
Buildings	1	1	1	1	1	1	1	1	1	1
Cemetery										
Plots -Oakhill	3,800	3,800	3,800	3,800	3,800	4,163	4,163	4,163	4,163	4,163
Total Plots (Maintained)	35,000	35,000	35,000	35,092	35,092	3,545	4,163	4,163	4,163	4,163
Vehicles & Machinery	16	14	14	14	14	14	15	15	15	13
Water										
Water mains (miles)	170	170	170	230	230	230	189	189	189	190
Fire hydrants	970	970	970	1,035	1,035	1,035	1,035	1,035	1,035	1,047
Storage capacity (thousands of gallons)	3,200	3,200	3,200	3,200	3,200	3,200	6,250	6,250	6,250	6,250
Wastewater										
Sanitary sewers (miles)	143	143	143	143	143	143	143	143	143	143
Daily Treatment Capacity	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000

CITY OF MCALESTER, OKLAHOMA
Operating Indicators by Function/Program
Last Ten Fiscal Years
TABLE 16

Function/Program	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire										
Emergency Responses	2,807	2,442	3,076	2,998	3,002	3,065	3,177	3,743	3,985	3,686
Fires Extinguished	93	106	151	132	191	126	119	86	67	120
Police										
<i>Physical Arrests</i>										
Juvenile	528	209	415	334	324	31	137	25	214	269
Minors	1,160	145	960	886	989	-	571	43	573	644
Adult	10,275	1,047	8,704	8,627	8,209	1,313	5,054	1,122	5,319	6,375
Parking Violations	254	207	198	104	98	36	28	17	93	63
Traffic Violations	11,709	10,712	9,881	9,847	9,522	6,813	5,442	7,699	5,651	6,453
Utilities										
<i>New Accounts</i>										
Residential	1,189	670	445	1,215	865	689	49	1,098	1,098	473
Commercial	70	50	50	58	63	60	-	125	125	59
Bulk	8	1	1	9	-	3	2	7	7	1
Parks & Recreation										
Athletic Field-Softball/Baseball	9	9	9	8	8	8	8	9	9	9
Soccer (# of fields used)	2	2	2	2	2	2	2	2	2	2
Tennis (# of courts used)	6	6	6	6	6	6	6	5	4	4
Pickleball (# of courts used)	-	-	-	-	-	-	-	-	6	6
Frisbee Disk Golf Course	1	1	1	1	1	1	1	1	1	1
Parks	12	12	12	13	12	12	15	15	15	15
Dog Park	1	1	1	1	1	1	1	1	1	1
Swimming Pools	3	3	3	3	3	3	2	1	1	1
Wading Pools (# of wading pools used)	3	3	3	5	5	5	2	2	2	1
Basketball Courts	4	4	4	4	4	4	4	4	4	4
Splash Pad	1	1	1	1	1	1	2	3	3	3
Skate park	1	1	1	1	1	1	1	1	1	1
Walking Tracks	5	5	5	5	1	1	4	4	4	4
Amphitheater	1	1	1	1	1	1	1	1	1	1
Arboretum	1	1	1	1	1	1	1	1	1	1
Community Garden	2	2	2	1	1	1	1	1	1	1
Recreational Center	1	1	1	1	1	1	1	1	1	1
Archery Park	-	1	1	1	1	1	1	1	1	1
Community Center – Special Event Participants	2,368	3,879	4,986	5,200	5,500	3,500	2,700	3,000	7,300	5,300
Senior Center-Program Participants	57,923	59,697	68,678	62,338	68,503	51,500	58,764	62,842	87,386	100,835
Sr. Center Lunch Program	50,257	51,317	53,486	51,620	51,891	61,598	57,779	60,352	83,792	97,624
Cemetery										
Purchased/sold Lots	28	62	59	43	12	31	24	19	26	36
Funerals	133	135	100	92	53	67	98	77	73	78

* Fire and Police Statistics are calendar year.

Source: Various City Departments

CITY OF MCALESTER, OKLAHOMA

SINGLE AUDIT REPORT

AS OF AND FOR THE YEAR ENDED

JUNE 30, 2024



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 Members of the City Council
City of McAlester, 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, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of McAlester, Oklahoma (the "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, and have issued our report thereon dated January 24, 2025. McAlester Regional Health Center Authority (the "Authority") is a discretely presented component unit of the City as described in our report on the City's financial statements. This report does not include the results of the Authority's auditors' testing of internal control over financial reporting or on compliance or other matters that are reported on separately by those auditors.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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.

Arlidge & Associates PC.

Edmond, Oklahoma
January 24, 2025



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE;
AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
REQUIRED BY THE UNIFORM GUIDANCE**

To the Honorable Mayor and Members of the City Council
City of McAlester, Oklahoma

Report on Compliance for Each Major Federal Program

We have audited the City of McAlester, Oklahoma's (the "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 the City's major federal program 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 the 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 the 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 the 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 the 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 the 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 the 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.

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.

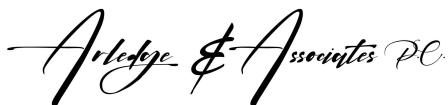
Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant 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 units, each major fund, and the aggregate remaining fund information of the 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. We issued our report thereon dated January 24, 2025, which contained unmodified opinions on those financial statements. Our report includes a reference to other auditors who audited the financial statements of the McAlester Regional Health Center Authority, a discretely presented component unit of the City as described in our report on the City's financial statements. Our audit was conducted for the purpose of forming an opinion 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.



Edmond, Oklahoma
January 24, 2025



CITY OF MCALESTER
Schedule of Expenditures of Federal Awards By Grant
For the Year Ended June 30, 2024

<i>Award Information</i>	<i>AL/other #</i>	<i>Pass-Through Entity Name</i>	<i>Pass-Through Entity #</i>	<i>Name of Grant - Grant ID No.</i>	<i>Federal Expenditures (\$)</i>
Highway Safety Cluster-Cluster					
Department of Transportation					
State and Community Highway Safety					
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office		OHS Traffic Grant - Traffic Enforcement--PT-24-03-21-15	49,461
State and Community Highway Safety	20.600	Oklahoma Highway Safety Office		OHS Traffic Grant - Traffic Enforcement--PT-23-03-19-14	14,656
Total State and Community Highway Safety					64,117
Total Department of Transportation					64,117
Total Highway Safety Cluster-Cluster					64,117
Aging Cluster-Cluster					
Department of Health and Human Services					
Special Programs for the Aging, Title III, Part C, Nutrition Services					
Special Programs for the Aging, Title III, Part C, Nutrition Services	93.045	OK Dept of Human Services & Kiamichi Area Nut Pro		Special Program for the Aging - Title III --N/A	49,370
Total Special Programs for the Aging, Title III, Part C, Nutrition Services					49,370
Total Department of Health and Human Services					49,370
Total Aging Cluster-Cluster					49,370
Other Programs (Treated individually for major program determination)					
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Oklahoma Department of Commerce		Community Development Block Grant--19167 CDBG 23	30,892
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Oklahoma Department of Commerce		Community Development Block Grant--18116 CDBGCR 20	32,000
Total Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii					62,892
Total Department of Housing and Urban Development					62,892
Department of the Interior					
Outdoor Recreation Acquisition, Development and Planning					
Outdoor Recreation Acquisition, Development and Planning	15.916	Oklahoma Tourism and Recreation Department			17,577
Total Outdoor Recreation Acquisition, Development and Planning					17,577
Total Department of the Interior					17,577
United States Department of Justice					
National Criminal History Improvement Program (NCHIP)					
National Criminal History Improvement Program (NCHIP)	16.554	Department of Justice		National Criminal History Improvement Grant--15PBJS-23-GK-00315-N	19,370
Total National Criminal History Improvement Program (NCHIP)					19,370
Bulletproof Vest Partnership Program					
Bulletproof Vest Partnership Program	16.607			Bulletproof Vest Partnership Program--2022	1,397
Total Bulletproof Vest Partnership Program					1,397
Total United States Department of Justice					20,767
Department of Transportation					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106			FAA - Airport Terminal Redesign & Construction--3-40-0057-021-2023	260,467
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	20.106			FAA - Airport Terminal Redesign & Construction--3-40-0057-022-2023	239,106
Total Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs					499,573
Recreational Trails Program					
Recreational Trails Program	20.219	Oklahoma Tourism and Recreation Department		Recreational Trails Program - Parker Trail--RT21-103 / 21-03	33,881
Total Recreational Trails Program					33,881
Total Department of Transportation					533,454
Department of the Treasury					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					
CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS	21.027			American Rescue Plan Act- Trauch #1	60,413
Total CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS					60,413
Total Department of the Treasury					60,413
Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)					
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	Oklahoma Department of Emergency Management		FEMA - Severe Winter Storms-- FEMA-4587	54,888
Total Disaster Grants - Public Assistance (Presidentially Declared Disasters)					54,888
Assistance to Firefighters Grant					
Assistance to Firefighters Grant	97.044	Oklahoma Department of Emergency Management		FEMA - AFG Equipment Grant-- EMW-2021-FG-05769	19,077
Total Assistance to Firefighters Grant					19,077
Total Department of Homeland Security					73,965
Total Other Programs (Treated individually for major program determination)					769,068
Total Expenditures of Federal Awards					\$ 882,555

The accompanying notes are an integral part of this schedule

CITY OF MCALESTER

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2024

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards include the federal grant activity of the City of McAlester (the "City"), under programs of the federal government for the year ended June 30, 2024. The information in the schedule of expenditures of federal awards is presented in accordance with the requirement of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets or cash flows of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The expenditures are recorded upon the disbursement of funds that meet federal award requirements.

3. INDIRECT COST RATE

The City does not have an indirect cost rate and had no indirect costs charged to the federal grants during the year ended June 30, 2024. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

4. SUBRECIPIENTS

During the year ended June 30, 2024, the City did not provide federal awards to subrecipients.

5. SUBSEQUENT EVENTS

The City has evaluated the effects of all subsequent events from June 30, 2024, through the report date, the date the SEFA was available to be issued, for potential recognition or disclosure in this SEFA. The City is not aware of any subsequent events which would require recognition or disclosure in the SEFA.

CITY OF MCALESTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2024

SECTION I – SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued on whether the financial statements were in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? yes X no

Significant deficiency(ies) identified? yes X none reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? yes X no

Identification of major federal programs:

AL Number(s)

20.106

Name of Federal Program or Cluster

Airport Improvement Program

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

CITY OF MCALESTER

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Cont'd) For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

CITY OF MCALESTER

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS For the Year Ended June 30, 2024

SECTION II – FINANCIAL STATEMENT FINDINGS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.

SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

Compliance Findings

There are no findings requiring reporting under this section.

Internal Control Findings

There are no findings requiring reporting under this section.