

Muskogee Industrial Trust
Audited Financial Statements
As of and for the Year Ended September 30, 2022 and 2021

Muskogee Industrial Trust

Table of Contents

	<i>Page</i>
INDEPENDENT AUDITOR’S REPORT	3-5
FINANCIAL STATEMENTS	
Comparative Statement of Net Position	6
Comparative Statement of Revenues, Expenses, and Changes in Fund Net Position	7
Comparative Statement of Cash Flows	8
NOTES TO FINANCIAL STATEMENTS	9-12
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 <i>GOVERNMENT AUDITING STANDARDS</i>	13-14
SUPPLEMENTARY INFORMATION	
Schedule of Projects - Statement of Net Position as of September 30, 2022	16
Schedule of Minimum Lease Payments to be Received as of September 30, 2022	17
Schedule of Projects - Statement of Net Position as of September 30, 2021	18
Schedule of Minimum Lease Payments to be Received as of September 30, 2021	19



Muret CPA, PLLC
3326 E. 27th Place
Tulsa, OK 74114

Phone: 918-301-1100
Fax: 918-517-3000
www.muretcpa.com

Tax, Accounting & Financial Services

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
Muskogee Industrial Trust
Muskogee, Oklahoma

Opinions

We have audited the accompanying financial statements of the Muskogee Industrial Trust (Trust) as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Trust, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards). 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 Trust, 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 Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust'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 Trust'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

Management has omitted Management Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Trust's basic financial statements. The schedules of projects – statement of net position and schedules of minimum lease payments to be received are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules of projects – statement of net position and schedules of minimum lease payments to be received are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of projects – statement of net position and schedule of minimum lease payments to be received are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2024, on our consideration of the Trust'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 solely 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 Trust'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 Trust's internal control over financial reporting and compliance.

A handwritten signature in black ink, appearing to read "Muret CPA", with a long horizontal flourish extending to the right.

Muret CPA, PLLC
Tulsa, Oklahoma
February 19, 2024

Muskogee Industrial Trust

Statement of Net Position

As of September 30, 2022 and 2021

ASSETS	2022	2021
Current Assets		
Cash & Cash Equivalents	\$ 1,292,149	\$ 1,048,705
Accounts Receivable	69,236	69,236
Investment in Direct Financing Leases	9,449,068	5,359,084
Note Receivable Current Portion - Port Authority	-	88,114
Certificates of Deposit	237,551	233,106
Interest Receivable	-	4,903
Total Current Assets	11,048,004	6,803,148
Other Assets		
Note Receivable - Port Authority, Less Current Portion	-	98,547
Minimum Lease Payments Receivable	197,766,888	213,517,268
Less: Unearned Income	(30,516,888)	(43,387,268)
Less: Current Portion	(9,449,068)	(5,359,084)
Total Other Assets	157,800,932	164,869,463
TOTAL ASSETS	\$ 168,848,936	\$ 171,672,611
LIABILITIES & NET POSITION		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 15,061	\$ 15,061
Current Portion of Bonds and Mortgages Payable	4,865,000	2,896,855
Total Current Liabilities	4,880,061	2,911,916
Long-Term Liabilities		
Bonds Payable, Less Current Portion	78,850,000	81,730,000
Mortgages Payable, Less Current Portion	79,676,302	80,537,945
Total Long-Term Liabilities	158,526,302	162,267,945
Total Liabilities	163,406,363	165,179,861
NET POSITION		
Fund Net Position	5,442,573	6,492,750
Total Net Position	5,442,573	6,492,750
TOTAL LIABILITIES & NET POSITION	\$ 168,848,936	\$ 171,672,611

See Independent Auditor's Report & Notes to Financial Statements

Muskogee Industrial Trust

Statement of Revenues, Expenses, and Changes in Fund Net Position
For the Year Ended September 2022 and 2021

	2022	2021
Revenues and Other Support		
Administrative Fees	64,574	77,220
Earned Loan Income	668,342	517,413
Total Revenues and Other Support	732,916	594,633
Expenses		
Office Expense	3,194	1,785
Professional Fees	10,000	5,758
Bond and Mortgage Interest Expense	1,781,353	1,616,610
Total Expenses	1,794,547	1,624,153
Other Income/(Expense)		
Interest Income	11,454	3,701
Total Other Income/(Expense)	11,454	3,701
Change in Fund Net Position	(1,050,177)	(1,025,819)
Fund Net Position, Beginning of Year	6,492,750	7,518,569
Fund Net Position, End of Year	\$ 5,442,573	\$ 6,492,750

See Independent Auditor's Report & Notes to Financial Statements

Muskogee Industrial Trust

Statement of Cash Flows

For the Year Ended September 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Changes in Fund Net Position from Operations	\$ (1,050,177)	\$ (1,025,819)
Adjustments to Reconcile Net Income to Net Cash Provided by Operations:		
Changes in Operating Assets and Liabilities:		
Accounts Receivable	-	(4,662)
Investment in Direct Finance Leases	(4,089,984)	(2,405,372)
Note Receivable	186,661	78,275
Certificate of Deposit	(4,445)	(1,793)
Interest Receivable	4,903	-
Minimum Lease Payments Receivable	6,969,984	4,965,372
Accounts Payable	-	5,000
Net Cash Provided by Operating Activities	2,016,942	1,611,001
INVESTING ACTIVITIES		
Fixed Assets (Purchases)/Dispositions	-	-
Net Cash Provided by Investing Activities	-	-
FINANCING ACTIVITIES		
Bonds Payable	(911,855)	(3,424,805)
Mortgage Payable	(861,643)	1,971,307
Net Cash Provided by Financing Activities	(1,773,498)	(1,453,498)
Net Cash Increase for Year	243,444	157,503
Cash at Beginning of Year	1,048,705	891,202
Cash at End of Year	\$ 1,292,149	\$ 1,048,705
Supplemental Disclosures:		
Interest Paid	\$ 1,781,353	\$ 1,616,610

See Independent Auditor's Report & Notes to Financial Statements

Muskogee Industrial Trust

Notes to Financial Statements

For the Year Ended September 30, 2022 and 2021

Note 1 – Summary of Significant Accounting Policies

Organization and Nature of Operations

The Muskogee Industrial Trust is a public trust created pursuant to 60 Oklahoma Statutes 1969, Sections 176 to 180, inclusive for the purpose of permitting the City of Muskogee, as beneficiary, to own, acquire, construct, reconstruct, extend, equip, improve, maintain, sell, lease, contract or deal in or dispose of any land, building, or facilities of any nature that can be used in securing or developing industry within or near the City of Muskogee.

Reporting Entity

The financial statements of the Trust are intended to present the financial position and results of operations and cash flows of only that portion of the financial reporting entity of the Muskogee Industrial Trust.

Significant Accounting Policies

Basis of Presentation

The financial statements are presented on the accrual basis method of accounting in accordance with accounting principles generally accepted in the United States of America. Under this method, revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the accounting period in which the liability is incurred in accordance with generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Management periodically evaluates estimates used in the preparation of the financial statements for continued reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Balance Sheet Classifications

A one-year time period is used as classifying all current assets and liabilities.

Cash and Cash Equivalent

For purposes of reporting cash flows, the Trust considers all highly liquid investments purchased with a maturity of three months or less at acquisition as cash and cash equivalents in the accompanying statement of net position. The Trust has interest in bearing deposits in financial institutions that maintained federal insurance in full for accounts and limited coverage up to \$250,000 per financial institution. At times, balances held at each financial institution may exceed \$250,000, which represents a credit risk to the Trust, as the portion of the deposits in excess of this amount is not subject to such insurance. At September 30, 2022, there were \$1,042,149 uninsured deposits.

Lease Accounting

All of the leases in which the Trust is involved are accounted for as direct financing leases in accordance with ASC 840. The net investment in the lease is determined by reducing the net minimum lease payments receivable by the unearned income. The Trust evaluates the investment in leases for impairment whenever events or changes in circumstances have occurred that indicate the carrying value may not be recoverable.

Note 1 – Summary of Significant Accounting Policies (Continued)

Short Term Investments

The Trust maintains certificates of deposit at Firststar Bank with maturities of 12 months or more. The balance of the certificates of deposit were \$237,551 and \$233,106 as of September 30, 2022 and 2021.

Income Taxes

The Trust as an agent of the City of Muskogee, Oklahoma, is not subject to income taxes. Accordingly, interest paid on obligations by the Trust are not subject to Federal income tax.

Fiscal Year End

The Trust's fiscal year end is September 30th of each year.

New Accounting Pronouncement

The Financial Accounting Standards Board released a new lease accounting standard, Accounting Standards Update ("ASU") No. 2016-02, *Leases (Topic 842)*, which will become effective for the Trust beginning with its 2023 fiscal reporting year. Under the new standard, leases that transfer substantially all the risks and rewards incidental to ownership will be accounted for as finance leases, with remaining leases accounted for as operating leases. Accounting for finance leases will be similar to accounting for capital leases under the current standards. However, accounting for operating leases under the new standard will result in recognition of a right-of-use asset and a lease liability on the Company's balance sheet, which is a significant change from the current accounting model under which operating leases are not reflected on the balance sheet. The Company is currently in the process of evaluating the impact of adoption of the new accounting guidance on its financial statements.

Note 2 – ASC Topic 606

The Trust adopted the new accounting standard ASC 606, (Topic 606), Revenue from Contracts with Customers and all the related amendments on October 1, 2020. Through evaluation of the impact of this standard, management determined there was no impact to financial results, as the timing and measurement of revenue remained consistent with prior guidance.

Note 3 – Fair Value Measurements

The Trust has implemented FASB ASC 820, "Fair Value Measurements and Disclosures." FASB ASC 820 defines fair value and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

Accounting principles require disclosures that categorize assets and liabilities measured at fair value into one of three different levels depending on the observability of the inputs employed in the measurement. The three levels of the fair value hierarchy under FASB ASC 820 are described below:

Basis of Fair Value Measurement

Level 1 – Quoted prices in active markets for identical assets or liabilities. These include, but are not limited to, cash and cash equivalents, common and preferred stocks, and mutual funds;

Level 2 – Inputs that are derived principally from or corroborated by observable market data. These include, but are not limited to, government agency issues, corporate bonds and municipal securities;

Level 3 – Inputs that are unobservable and significant to the overall fair value measurement. These include, but are not limited to, non-public common stocks and personally held notes receivable.

Note 3 – Fair Value Measurements (Continued)

Financial assets and liabilities of the Trust are carried at fair value on a recurring basis in the financial statements. The Trust's financial instruments include investments and beneficial interests in assets, if any, held by others. All financial instruments of the Trust are valued using inputs qualifying as Level 1 in the above defined hierarchy.

Note 4 – Investment in Financial Transactions

The Trust is engaged in the financing of industrial property including real estate, equipment and furniture and fixtures principally as lessor under direct financing leases. The two leases outstanding at September 30, 2022 and 2021, had initial terms of thirty (30) years.

Future minimum lease payments to be received for the two industrial property leases under direct financing leases for year September 30, 2022 and 2021 are as follows:

September 30, 2022							
Project	2022	2023	2024	2025	2026	Later Years	Totals
Industrial Property Financing Leases							
OG&E 1976 Refunded 1995	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 28,836,000	\$ 35,316,000
OG&E 1982 Refunded 1987& 1997	1,245,431	1,245,431	1,245,431	1,245,431	1,245,431	54,293,669	60,520,824
	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>83,129,669</u>	<u>95,836,824</u>
September 30, 2021							
Project	2021	2022	2023	2024	2025	Later Years	Totals
Industrial Property Financing Leases							
OG&E 1976 Refunded 1995	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 34,020,000	\$ 40,500,000
OG&E 1982 Refunded 1987 & 1997	1,245,431	1,245,431	1,245,431	1,245,431	1,245,431	59,197,843	65,424,998
	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>93,217,843</u>	<u>105,924,998</u>

Net investment in direct financing leases is pledged as collateral on the related mortgage and bonds payable obligations. Earned income consists principally of transfers from unearned income to offset incremental initial direct costs charged to expense.

On July 1, 2013, the Trust engaged in financing educational facilities lease revenue bonds for the Independent School District N. 20, Muskogee Public Schools project. Initial maturity in September 1, 2022. Payments are scheduled on September 1st of each year. Interest expense was reported as of September 1, 2022 and 2021.

On October 16, 2013, the Trust engaged in financing of property for the Independent School District No. 29, Hilldale Public Schools of Muskogee County, Oklahoma. Initial maturity is August 15, 2023. Payments are scheduled on August 15th each year. Interest expense was reported as of August 15, 2022 and 2021.

On October 30, 2019, the Trust engaged in financing of property for the Independent School District No. 20, Muskogee Public Schools of Muskogee County, Oklahoma. Initial maturity is August 25, 2034. Payments are scheduled on March 1st and September 1st of each year. The first principal payment on the bonds commenced September 1, 2022.

Note 4 – Investment in Financial Transactions (Continued)

The future minimum lease payments to be received for the two educational facilities leases under direct financing leases for years ending September 30, 2022 and 2021 are as follows:

September 30, 2022		2022	2023	2024	2025	2026	Later Years	Totals
Educational Facilities Lease								
I-20 School District	\$	2,103,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,103,000
I-20 School District (2019)		3,982,250	7,988,500	8,049,250	7,316,750	11,400,000	68,902,753	107,639,503
I-29 Hilldale District		822,387	814,242	-	-	-	-	1,636,629
		<u>6,907,637</u>	<u>8,802,742</u>	<u>8,049,250</u>	<u>7,316,750</u>	<u>11,400,000</u>	<u>68,902,753</u>	<u>111,379,132</u>
September 30, 2021		2021	2022	2023	2024	2025	Later Years	Totals
Educational Facilities Lease								
I-20 School District	\$	1,983,000	\$ 2,103,000	\$ -	\$ -	\$ -	\$ -	\$ 4,086,000
I-20 School District (2019)		-	4,970,042	1,909,864	7,355,680	7,355,680	84,802,806	106,394,072
I-29 Hilldale District		834,653	822,387	814,242	-	-	-	2,471,282
		<u>2,817,653</u>	<u>7,895,429</u>	<u>2,724,106</u>	<u>7,355,680</u>	<u>7,355,680</u>	<u>84,802,806</u>	<u>112,951,354</u>

Net investment in educational facilities leases is pledged as collateral on the related mortgage and bonds payable obligations. Earned income consists principally of transfers from unearned income to offset incremental initial direct costs charged to expense.

Note 5 – Note Receivable Port Authority

During a prior fiscal year the Trust entered into a loan agreement with the Muskogee City-County Port Authority. The purpose of the loan is to purchase real estate parcels within the Port site. The total loan proceeds available were \$500,000. The note was re-written when it became due on April 17, 2017. Interest accrues at the rate of 4% per annum. Principal and interest payments of \$95,580 are due annually for five years.

Muskogee Port Authority has an obligation to Muskogee Industrial Trust bearing interest at 4.00%.
The loan is collateralized by Real Estate .

Loan maturities for each of the five years following September 30, 2021, are as follows:

2022	\$	88,114
2023		98,547
2024		-
2025		-
2026		-
Thereafter		-
		<u> </u>
	\$	<u>186,661</u>

The Port Authority note was paid off early on December 21, 2021.

Note 6 – Subsequent Events

The Trust has evaluated all events subsequent to the statement of net position date of September 30, 2022, through the date the financial statements were available to be issued of February 19, 2024, and determined there was no subsequent event requiring additional disclosures.



Muret CPA, PLLC
3326 E. 27th Place
Tulsa, OK 74114

Phone: 918-301-1100

Fax: 918-517-3000

www.muretcpa.com

Tax, Accounting & Financial Services

**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 Trustees of
Muskogee Industrial Trust
Muskogee, 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 Muskogee Industrial Trust (the "Trust"), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated February 19, 2024.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Trust'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 Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Trust'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.

A handwritten signature in black ink, appearing to read 'Muret CPA', with a long horizontal flourish extending to the right.

Muret CPA, PLLC
February 19, 2024
Tulsa, Oklahoma

Muskogee Industrial Trust
Supplemental Information
As of and for the Year Ended September 30, 2022 and 2021

Muskogee Industrial Trust
Schedule of Projects-Statement of Net Position
As of September 30, 2022

	OG&E 1995	OG&E 1997	I-20 School District	I-29 Hilldale	I-20 2019	Muskogee City/ Port Authority	Administration	Total
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,292,149	\$ 1,292,149
Accounts Receivable	13,986	55,250	-	-	-	-	-	69,236
CDs	-	-	-	-	-	-	237,551	237,551
Current Portion of Net Investment in Direct Financing Leases	1,296,000	1,245,431	2,103,000	822,387	3,982,250	-	-	9,449,068
Note Receivable Current Portion - Port Authority	-	-	-	-	-	-	-	-
Accrued Interest Receivable - Port Authority	-	-	-	-	-	-	-	-
TOTAL CURRENT ASSETS	1,309,986	1,300,681	2,103,000	822,387	3,982,250.00	-	1,529,700	11,048,004
Total Minimum Lease Payments Receivable	34,020,000	60,520,824	-	814,242	102,411,822	-	-	197,766,888
Less: Unearned Income	(1,620,000)	(4,520,824)	-	(34,242)	(24,341,822)	-	-	(30,516,888)
Less: Current Portion of Net Investment in Direct Financing Leases	(1,296,000)	(1,245,431)	(2,103,000)	(822,387)	(3,982,250)	-	-	(9,449,068)
Net Investment in Direct Financing Leases	31,104,000	54,754,569	(2,103,000)	(42,387)	74,087,750	-	-	157,800,932
TOTAL ASSETS	\$ 32,413,986	\$ 56,055,250	\$ -	\$ 780,000	\$ 78,070,000	\$ -	\$ 1,529,700	\$ 168,848,936
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Bond Proceeds Due Lessees	-	-	-	-	-	-	61	61
Current Portion of Mortgages, Bonds & Capital Lease Payable	-	-	-	780,000	4,085,000	-	-	4,865,000
Total Current Liabilities	-	-	-	780,000	4,085,000	-	15,061	4,880,061
LONG TERM LIABILITIES								
Mortgage & Bonds Payable on Capital Leases	32,400,000	56,000,000	-	780,000	78,070,000	-	-	167,250,000
Less: Current Portion of Mortgage, Bonds & Capital Leases Payabl	-	-	-	(780,000)	(4,085,000)	-	-	(4,865,000)
Less: Deferred Debt Expense - Net	(729,400)	(3,129,298)	-	-	-	-	-	(3,858,698)
Total Long Term Liabilities	31,670,600	52,870,702	-	-	73,985,000	-	-	158,526,302
TOTAL LIABILITIES	31,670,600	52,870,702	-	780,000	78,070,000	-	15,061	163,406,363
Net Position	743,386	3,184,548	-	-	-	-	1,514,639	5,442,573
TOTAL LIABILITIES & NET POSITION	\$ 32,413,986	\$ 56,055,250	\$ -	\$ 780,000	\$ 78,070,000	\$ -	\$ 1,529,700	\$ 168,848,936

Muskogee Industrial Trust
Schedule of Minimum Lease and Bond Payments to be Received
As of September 30, 2022

September 30, 2021
Project

	2022	2023	2024	2025	2026	Later Years	Totals
Industrial Property Financing Leases							
OG&E 1976 Refunded 1995	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 28,836,000	\$ 35,316,000
OG&E 1982 Refunded 1987& 1997	1,245,431	1,245,431	1,245,431	1,245,431	1,245,431	54,293,669	60,520,824
	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>83,129,669</u>	<u>95,836,824</u>
Educational Facilities Lease							
I-20 School District	\$ 2,103,000	\$ -	\$ -	\$ -	\$ -	\$ -	2,103,000
I-20 School District (2019)	3,982,250	7,988,500	8,049,250	7,316,750	11,400,000	68,902,753	107,639,503
I-29 Hilldale District	822,387	814,242	-	-	-	-	1,636,629
	<u>6,907,637</u>	<u>8,802,742</u>	<u>8,049,250</u>	<u>7,316,750</u>	<u>11,400,000</u>	<u>68,902,753</u>	<u>111,379,132</u>
Total	\$ 9,449,068	\$ 11,344,173	\$ 10,590,681	\$ 9,858,181	\$ 13,941,431	\$ 152,032,422	\$ 207,215,956

Muskogee Industrial Trust
Schedule of Projects-Statement of Net Position
As of September 30, 2021

	OG&E 1995	OG&E 1997	I-20 School District	I-29 Hilldale	I-20 2019	Muskogee City/ Port Authority	Administration	Total
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,048,705	\$ 1,048,705
Accounts Receivable	13,986.00	55,250	-	-	-	-	-	69,236
CDs	-	-	-	-	-	-	233,106	233,106
Current Portion of Net Investment in Direct Financing Leases	1,296,000	1,245,431	1,983,000	834,653	-	-	-	5,359,084
Note Receivable Current Portion - Port Authority	-	-	-	-	-	88,114	-	88,114
Accrued Interest Receivable - Port Authority	-	-	-	-	-	4,903	-	4,903
TOTAL CURRENT ASSETS	1,309,986	1,300,681	1,983,000	834,653	-	93,017	1,281,811	6,803,148
Total Minimum Lease Payments Receivable	39,204,000	64,179,567	2,103,000	1,636,629	106,394,072	-	-	213,517,268
Less: Unearned Income	(6,804,000)	(8,179,567)	(53,000)	(101,629)	(28,249,072)	-	-	(43,387,268)
Less: Current Portion of Net Investment in Direct Financing Leases	(1,296,000)	(1,245,431)	(1,983,000)	(834,653)	-	-	-	(5,359,084)
Net Investment in Direct Financing Leases	31,104,000	54,754,569	67,000	700,347	78,145,000	-	-	164,770,916
Note Receivable - Port Authority, Less Current Portion	-	-	-	-	-	98,547	-	98,547
TOTAL ASSETS	\$ 32,413,986	\$ 56,055,250	\$ 2,050,000	\$ 1,535,000	\$ 78,145,000	\$ 191,564	\$ 1,281,811	\$ 171,672,611
LIABILITIES								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,000	\$ 15,000
Bond Proceeds Due Lessees	-	-	-	-	-	-	61	61
Current Portion of Mortgages, Bonds & Capital Lease Payable	-	-	2,050,000	755,000	-	91,855	-	2,896,855
Total Current Liabilities	-	-	2,050,000	755,000	-	91,855	15,061	2,911,916
LONG TERM LIABILITIES								
Mortgage & Bonds Payable on Capital Leases	32,400,000	56,000,000	2,050,000	1,535,000	78,145,000	-	-	170,130,000
Less: Current Portion of Mortgage, Bonds & Capital Leases Payabl	-	-	(2,050,000)	(755,000)	-	(91,855)	-	(2,896,855)
Less: Deferred Debt Expense - Net	(1,053,577)	(3,911,623)	-	-	-	-	-	(4,965,200)
Total Long Term Liabilities	31,346,423	52,088,377	-	780,000	78,145,000	(91,855)	-	162,267,945
TOTAL LIABILITIES	31,346,423	52,088,377	2,050,000	1,535,000	78,145,000	-	15,061	165,179,861
Net Position	1,067,563	3,966,873	-	-	-	191,564	1,266,750	6,492,750
TOTAL LIABILITIES & NET POSITION	\$ 32,413,986	\$ 56,055,250	\$ 2,050,000	\$ 1,535,000	\$ 78,145,000	\$ 191,564	\$ 1,281,811	\$ 171,672,611

Muskogee Industrial Trust
Schedule of Minimum Lease and Bond Payments to be Received
As of September 30, 2021

September 30, 2021
Project

	2021	2022	2023	2024	2025	Later Years	Totals
Industrial Property Financing Leases							
OG&E 1976 Refunded 1995	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 1,296,000	\$ 34,020,000	\$ 40,500,000
OG&E 1982 Refunded 1987& 1997	1,245,431	1,245,431	1,245,431	1,245,431	1,245,431	59,197,843	65,424,998
	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>2,541,431</u>	<u>93,217,843</u>	<u>105,924,998</u>
Educational Facilities Lease							
I-20 School District	\$ 1,983,000	\$ 2,103,000	\$ -	\$ -	\$ -	\$ -	4,086,000
I-20 School District (2019)	-	4,970,042	1,909,864	7,355,680	7,355,680	84,802,806	106,394,072
I-29 Hilldale District	834,653	822,387	814,242	-	-	-	2,471,282
	<u>2,817,653</u>	<u>7,895,429</u>	<u>2,724,106</u>	<u>7,355,680</u>	<u>7,355,680</u>	<u>84,802,806</u>	<u>112,951,354</u>
Total	\$ 5,359,084	\$ 10,436,860	\$ 5,265,537	\$ 9,897,111	\$ 9,897,111	\$ 178,020,649	\$ 218,876,352